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BMW Extends Its Range With Rover Last British-Owned Mass Carmaker Is Sold for \$1.2 Billion

By Richard W. Stevenson
New York Times Service

LONDON — Seeking an entrée into the small-car business and access to lower-cost automobile production plants, BMW of Germany said Monday that it would acquire Rover of Britain for about \$1.2 billion.

The deal advances BMW's strategy of reducing its reliance on its home market in Germany, where labor and production costs are among the highest in the world. In Rover, Bayerische Motoren Werke is acquiring a company that has transformed itself into an efficient producer of small cars over the last decade while also building its Land Rover division into a high-quality maker of four-wheel drive utility vehicles.

Indeed, much of Rover's progress on costs and quality has been due to the tutelage of Honda Motor Co., which owns a 20 percent stake in Rover's car-making operation, and the Japanese automaker protested strongly when Monday's deal was announced.

For Germany and Britain, the acquisition suggests the economic forces that are at work reshaping European industries. Companies in Germany, which for decades enjoyed a reputation for unparalleled industrial craftsmanship and engineering, now find it difficult to compete because of labor rates that, in the car business, average more than \$24 an hour.

As a result many German companies are choosing to build or acquire new production capacity they need outside Germany. In Britain, where social welfare levies on employers are lower and unions not as strong as in Germany, the average labor cost in the auto industry is about \$12 an hour.

The German company said it had considered building its own small-

car manufacturing operations, but that by acquiring Rover, it could gain the capacity and the market share more cheaply and quickly. The deal will roughly double BMW's share of the European market to 6.5 percent.

BMW's purchase of Rover, which has been owned by British Aerospace PLC for five years, will end nearly a century-old tradition of independent mass car production in Britain.

But Bernd Pischetsrieder, BMW's chairman, said Rover would continue to be run by its British managers and that the Rover brand name would be maintained. There are no plans to produce cars under the BMW name in Britain, he said.

The BMW executive said he was also interested in reviving some of Rover's famous, dormant nameplates like Austin Healey.

British Aerospace has been eager to find a buyer for Rover as part of its plan to concentrate on its core aerospace and defense businesses.

Honda had been negotiating with British Aerospace to raise its stake in the car operation to just under 50 percent, but had been unwilling to meet British Aerospace's demand for a full buyout. With Rover in BMW's hands, the German company will be able to use and study Honda's technology and production techniques.

In Tokyo, Honda's president, Nobuhiko Kawamori, said British Aerospace's decision "negates Honda and Rover's long-term efforts to establish a firm future for Rover as a British company with its own brand identity."

Honda said it had no immediate plans to sell its stake in Rover. Mr. Pischetsrieder said he hoped that Honda would continue its association with Rover, under which Rover also has a 20 percent stake in Honda's

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Tokyo Stocks Leap Despite Warning on Low Growth

Hosokawa Plan Sets Off
Buyer Frenzy, Nikkei
At Three-Month High

By Paul Blustein
Washington Post Service

TOKYO — The imminent introduction of Japan's biggest economic stimulus package sent the Tokyo stock market into a buying frenzy Monday, but economists cautioned that while the package may be necessary to avert disaster it will not keep the economy from posting another year of sluggish growth.

The Nikkei 225-share index soared 7.8 percent, to 20,229.12, closing above the 20,000 level for the first time in three months. Trading volume was an unusually heavy 800 million shares.

Propelling the surge was jubilation over the news that Prime Minister Morihiro Hosokawa secured a last-minute compromise Saturday that ended a long battle over political reform and saved his government from collapse. The development clears the way for a series of economy-bolstering measures later this week.

"We now have the exact reverse of last week's market, when sentiment was so depressed," said Kathy Matsui, a strategist at Barclays de Zoete Wedd Securities (Japan) Ltd., referring to the events following the parliamentary defeat of Mr. Hosokawa's reform bills on Jan. 21.

At that time, investors feared the turmoil would prevent the government from delivering a stimulus dose that the economy badly needed to avoid sinking further into recession.

The Japanese press reported that the government is planning to put the final touches Thursday on a combination of public works spending and income tax cuts totaling around \$135 billion. That will enable Mr. Hosokawa to assert in his Feb. 11 meeting with President Bill Clinton that Tokyo is taking steps to get its economy moving again. The issue of considerable concern in Washington, which wants to see faster growth in Japan so that demand for American products will increase.

But even though the \$135 billion total is bigger than any of the other packages introduced so far during the current recession, many economists here believe that the economy will still expand at a rate of only around 1 percent in 1994. That would be far below the 3-percent rates typical of late 1980s in Japan.

Merrill Lynch's Tokyo economist, Peter Morgan, for example, predicts that the economy will grow at 1.6 percent in 1994, assuming the stimulus package is put into place. "Without it, we'd get minus 0.2 percent growth," he said.

Even the governmental Economic Planning Agency believes that the economy will grow at

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Wall Street Bulls Run Past Interest Rate Caution Light

By Lawrence Malkin
International Herald Tribune

NEW YORK — Alan Greenspan told Congress on Monday that the Federal Reserve Board was starting to think about raising interest rates as the American economy strengthens but didn't yet know when to tighten.

The Federal Reserve Board chairman confirmed what Wall Street had long suspected, but the stock market, instead of worrying about higher interest rates, chose to focus on another of Mr. Greenspan's remarks — about inflation's being under control. The Dow Jones industrial average of blue chip stocks gained a strong 32 points; at one point in the day, it was nearly 40 points higher, not far from the 4,000 level. (Page 8)

The dollar closed lower in New York. Currency traders, too, seemed to believe that any increase in interest rates, which would underpin the dollar, was some way off. Treasury bonds fell slightly.

The principal question now facing the central bank, Mr. Greenspan told the Joint Economic Committee, is "when is the appropriate time to move to a somewhat less accommodative level of short-term interest rates."

The federal funds rate, which sets the banks' wholesale cost of money, now is about 3 percent, or very close to the inflation level and therefore, said Mr. Greenspan, "abnormally low in real terms."

"At some point," he continued, "absent an unexpected and prolonged weakening of economic activity, we will have to move to a more neutral stance. Such an action would not be taken in order to cut off or limit the economic expansion, but rather to sustain and enhance it."

The chairman spoke after a report last week showed the best quarterly growth for the American economy in six years. He also noted that "the broad measures of inflation have remained well behaved." Last year, the U.S. economy turned in the best record on inflation in almost 30 years except for 1986, when oil prices collapsed.

But the Federal Reserve Board, battered because it moved too late to curb the inflation of the Vietnam War and the oil price shocks of the 1970s, is if anything ready to err on the side of monetary restraint in maintaining the stern reputation it won back during the 1980s.

Its dilemma is complicated by Mr. Greenspan's admission — and a simultaneous reminder by President Bill Clinton — that the principal source of the present recovery is low, long-term interest rates, which stimulate housing and auto sales. Long-term rates are less directly influenced by Fed policy than short-term ones.

Some on Wall Street and within the Federal Reserve Board itself have been talking about a

Dow Jones	Trib Index	
Up 32.93 3,978.36	Up 3.27% 119.02	
The Dollar		
New York	Mon. close	previous close
DM	1.7342	1.742
Pound	1.5055	1.4965
Yen	108.55	109.80
FF	5.885	5.917

"pre-emptive strike" to raise short-term rates as the economy strengthens even before inflation is evident in the statistics — by which time, they argue, it will be too late.

Mr. Greenspan was asked about this by Senator Paul Sarbanes, Democrat of Maryland, who sharply reminded him that Congress expected low rates in exchange for taking the political heat for reining back the federal budget deficit. But Mr. Greenspan ducked the question.

Mr. Clinton also referred to that supposed compact in a brief exchange with reporters at the White House. He said that if the Fed decided to raise short-term rates, "what I hope is that it won't raise long-term rates because there's no need to do it."

The Federal Reserve Board maintains that long rates are up in the financial markets; if investors fear inflation is coming back and the central bank is ignoring it, they will demand higher rates for their money over long periods.

Mr. Greenspan stated the dilemma this way: "We will have to make the judgment as to how long we can continue monetary accommodation without sowing the seeds of another bout

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Super Bowl Humiliation Bills Fumble Their Moment of Truth

By Thomas Boswell
Washington Post Service

ATLANTA — You never know when your moment of truth will come in sports. Usually, it's not some play that you've practiced a thousand times. Rather, it's a split second of improvisation or quick-thinking in a crisis that reveals your resources, your resiliency, your character as an athlete.

Sometimes, however, the moment isn't a moment at all but a crucial passage of time when a whole team knows that, if it is to prevail, it must summon itself, rising above its collective failings and fears.

In the first minute of the second half of Super Bowl XXVIII, the Buffalo Bills faced a moment of football self-revelation of the first sort. They failed terribly. It was the worst of disasters, they faced a moment of truth of the second kind. For the span of two possessions, they knew that a Super Bowl hung in the balance. With everything at stake, the Bills fell apart. Again. This time, they lost by 30-13 to the Dallas Cowboys.

Now, the Bills' fate is probably sealed.

They're not just the only team ever to get to four straight Super Bowls and, of course, lose four straight as well. Worse, they're the team that, three straight years, has failed in a mid-game crisis; then, in the face of that trauma, disintegrated.

For nearly 31 minutes Sunday night, nearly everything went the Bills' way. They led.

Full coverage of the Super Bowl, Page 15.

13-6, at halftime, thanks to a hurry-up offense that had controlled the ball with short passes. Just as important, the Cowboys were spluttering, making mistakes and begging to be beaten. Troy Aikman, who had shredded the Bills for four touchdown passes in a 52-17 drubbing in this game last year, wasn't sharp. He looked like a quarterback only seven days removed from a concussion. If the Cowboys needed to jump offside on third-and-short, or throw an interception with a man open deep or rough the punter,

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A Robust Czech Economy Defies Europe's Recession

By Jane Perlez
New York Times Service

PRAGUE — Squeezed between well-off Germany and struggling former East bloc countries, the heavily industrialized Czech Republic boasts low unemployment and a balanced budget even as it takes on the treacherous task of transforming itself from communism to capitalism.

While 10 percent of the German work force is jobless and many East European countries face the possibility of 20 percent unemployment this year, the Czech Republic is proud of its 3.5 percent unemployment rate.

Here in the capital, an old city studded with shiny new retail stores, computer companies, banks and an explosion of restaurants and bars, there is a shortage of labor.

Why the Czech Republic is thriving while many of its neighbors struggle and how long the boom will last are matters that are debated by economists here and in the West.

Some things are clear. The Czech Republic was under Communist rule for a much shorter period of time than its larger neighbors to the east. The republic also has the advantage of a well-educated and cohesive population of only 10 million. It has taken advantage of its geographic position next door to Germany to encourage trade and investment and has made planned steps toward a market economy that have been effective so far.

The Czech Republic's 1993 budget ended in a

surplus, and trade to recession-ridden Western Europe jumped 16 percent last year. Despite the impressive indicators, analysts said the zero growth rate in the gross domestic product was disturbing.

Prime Minister Vaclav Klaus, who is masterminding the economic metamorphosis, is following a step-by-step plan instead of applying the shock therapy used in Poland in early 1990. But economists point out that Mr. Klaus's approach has yet to match Poland's growth rate — 4.5 percent last year, the highest in Europe.

Some economists argue that the Czech Republic appears to be flourishing because the country has not made some tough decisions,

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Pepsi or Coke? The Mayan Elders Know

By Tod Robberson
Washington Post Service

TENEJAPA, Mexico — On the third Thursday of every month, the Tzeltal Mayan elders of this town in southern Mexico arise with the sun, dress in their finest ceremonial garb and gather solemnly in the central plaza to take up a centuries-old group conversation with God.

It is a time-honored day of fasting, said one of the elders, Juan Gomez Hiron, in which only three things are allowed to pass the lips of the participants: air, a rumlike liquor called *poch* and a fizzy brown liquid called Pepsi.

"The ceremony calls for Pepsi and *poch*. Nothing else is allowed," Mr. Gomez explained as he fingered a crucifix hanging from a chain around his neck, accompanied by a dozen medallions stamped with images of Roman Catholic saints.

Another bare-legged elder, dressed like Mr. Gomez in leather sandals, a knee-length cotton shirt and a woolen smock, offered up a sample

of the *poch*, which he poured from a cattle-horn flask and served in a funnel whose bottom he plugged with his finger.

By the end of the Thursday ritual, several cases of Pepsi will have come and gone. So much *poch* is consumed that motorists are waved away from the town center for fear they will run over elders who have passed out in the road.

No one seems able to explain how Pepsi became a part of the ritual, but Mr. Gomez and other elders are adamant that only one brand of cola will do as the official chalice for *poch*.

Drinking Coca-Cola, for example, is a certain route to ostracism.

"It makes them very angry," said Diego Meadez, 25, a Tzeltal who said he does not participate in the ceremony.

Evidence abounds in the state of Chiapas that the so-called cola wars between Coke and Pepsi have taken on political and social dimensions beyond the wildest dreams of the Mad-

son Avenue advertising executives who began marketing the drinks here decades ago.

In some cases, the cola one drinks may not merely be a statement of thirst-quenching preference but a declaration of political affiliation or even religious belief.

About 25 kilometers (15 miles) west of here in Chamula, Tzeltal Mayan worshippers at a local Catholic church routinely offer refreshment to their favored saints by clearing a spot on the stone floor, lighting several dozen candles, then waving a soft-drink bottle over the flames while chanting in the Tzeltal dialect.

Occasionally a soft-drink offering will be accompanied by something more substantial, such as a live chicken whose neck is twisted as the worshipers chant at the altar.

It is impossible to tell which soft drink is preferred by worshippers, but a quick tally of bottle caps strewn about the floor suggested

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Serbs Hail Vow By Zhirinovsky To Protect Them

By John Pomfret
Washington Post Service

BIJELJINA, Bosnia — The Russian ultranationalist, Vladimir V. Zhirinovsky, brought his campaign of hate to Serb-controlled Bosnia on Monday, telling crowds of Serbs that a NATO bomb dropped on Serbian positions here would mean a bomb dropped on Russia.

In a hour's visit to this city, where tens of thousands of Muslims were "ethnically cleansed" from their homes by Serbian paramilitary units more than a year ago, Mr. Zhirinovsky met with several alleged war criminals, walked near the site of a demolished mosque, which is now a parking lot, and pledged Russian support for Serbian nationalism.

The trip continued with a journey in the Croatian city of Vukovar, which was destroyed by the Serbs in 1991.

Last week, Slovenia, another breakaway Yugoslav republic, asked Mr. Zhirinovsky to leave its territory as quickly as possible after his bodyguards engaged in a violent drinking bout in a resort town. Last month, Mr. Zhirinovsky was expelled from Bulgaria for inflammatory comments about that country's president and was subsequently refused a visa in Germany.

Mr. Zhirinovsky's trip was organized by a Vienna-based businessman, Petar Ivanovic, a native of Montenegro, which with Serbia makes

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Kiosk

Kohl Warns Croatia on Bosnia Attacks

WASHINGTON (AP) — Chancellor Helmut Kohl of Germany threatened Monday to act against Croatia if Croatian troops attacked Bosnia. He said he had no confirmation of any such attack, and did not say what kind of action he might take. He spoke after a meeting with President Bill Clinton. The Serbian and Croatian governments have officially remained aloof from the conflict. Mr. Kohl would not say that Croatian

government forces had intervened, as has been widely reported. "I can't confirm that, but if so, it would not really change my basic view which is that I would disapprove of that very highly, and not simply in theory, but I would find a way of putting my disapproval into practice," he said. He added, "Particularly since we urged the recognition of Croatia and Slovenia, we take a very great interest in this question."

General News

The earthquake in Los Angeles is shaping up as a record disaster. Page 3.
The U.S. decision to grant a visa to the leader of Sinn Fein disarms Britain. Page 3.

Lack of European Leadership

Executives of multinational corporations said European governments had failed to lead their countries out of recession, raising the specter of social unrest. Page 7.

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Newsstand Prices	
Austria	9.00 FF
Belgium	11.20 FF
Canada	1.40 CFA
Denmark	11.20 FF
Egypt	9.00 FF
France	9.00 FF
Germany	9.00 FF
Greece	300 Dr.
Hong Kong	1.20 CFA
India	1.20 CFA
Japan	1.20 CFA
Lebanon	1.20 CFA
Luxembourg	12.00 FF
Morocco	8.00 Riols
Norway	11.20 FF
Saudi Arabia	9.00 R.
Senegal	9.00 CFA
Spain	200 Ptas
Tunisia	1.000 Din
Turkey	12.000 Liras
U.A.E.	8.50 Dirh
U.S. Mail	(Eur.) \$1.10

Arafat's Fatah Is Losing Ground as Peace Accord Nears

By Clyde Haberman
New York Times Service

JERUSALEM — As Yasser Arafat pressed in Switzerland for a breakthrough in peace talks with Israel, his faction of the Palestine Liberation Organization lost further ground in the Israeli-occupied territories.

Public support for Mr. Arafat has slipped steadily since the PLO and Israel signed their outline agreement in September on introducing Palestinian self-rule, beginning with the Gaza Strip and the West Bank town of Jericho.

In ways unimaginable only a few months ago, even old allies criticize him. They accuse him of having a questionable commitment to democratic change, of keeping too much power to himself, of mishandling the negotiations with Israel on fleshing out key details of the September accord and thereby contributing to a long delay in the planned start of an Israeli troop withdrawal from Gaza and Jericho.

Some loyalists of El Fatah, the faction led by Mr. Arafat, have warned that he is unlikely to break this slide until the agreement is carried out and his forces assume control. "Reaching a settlement now with the Israelis is more important for him than ever," a supporter said.

But as a sign of El Fatah's continued troubles, it suffered reversals this weekend in the leadership elections of two professional associations, one in Gaza and one in the West Bank. While imperfect guides, such elections are often a gauge of the mood of the people.

"They tell you that people are not satisfied," a Palestinian journalist said of the elections, in which El Fatah and its allies lost their majorities in the Gaza Engineers Association and the West Bank Lawyers Association.

In addition, armed Fatah militants in Gaza claimed responsibility Sunday for a grenade attack Saturday that wounded three Israeli soldiers, a clear violation of the cease-fire pledge that the PLO gave Israel in September. PLO leaders in Gaza insisted that they were abiding by that commitment. If so, the assault raised questions about how much authority they wield over their own militants.

In a sign of the growing tensions in Gaza because of the delay in starting self-rule, armed Arafat loyalists have increasingly clashed with Israeli forces and even with Palestinians who accuse them of running roughshod in seeking to impose their will.

Militants from a new Fatah-affiliated group called the

Ahmad Abu Rish Brigade said they had attacked the soldiers to retaliate for suddenly stepped-up arrests of supporters. In turn, the Israelis said they were chasing only armed men accused of flouting their leadership's cease-fire promise.

Negotiators Are Inching Toward Peace

Israeli and Palestine Liberation Organization negotiators inched toward ending a deadlock over key obstacles within a week, news agencies reported from Davos, Switzerland.

Yasser Arafat, the PLO chairman, and Foreign Minister Shimon Peres of Israel, meeting at this Swiss ski resort, failed for the second consecutive week to overcome hurdles delaying Israel's troop withdrawal from the Gaza Strip and the West Bank town of Jericho.

Mr. Peres played down remaining differences, saying he was more optimistic than ever before. "There had been very complicated problems," he said. "We were able to negotiate many of them, maybe most of them."

When asked what the two sides disagreed upon, he laughingly replied, "The drafting."

An Israeli official, speaking anonymously, said a final deal could have been made Monday but that Mr. Peres had to leave for Washington.

Mr. Peres's deputy, Yossi Beilin, said in Jerusalem: "We cannot speak about an agreement. We can speak about a step forward toward an agreement."

Israeli and Palestinian officials said they hoped to bridge the gap in time for a meeting in Cairo on Sunday.

Mr. Beilin cited as obstacles the control of border crossings over the Jordan River to Jericho, the size of the Jericho area to be administered by Palestinians and security for Jewish settlers in the Gaza Strip.

"We are speaking about technicalities actually," he said. "We are speaking about very small details which are very important. Generally speaking, of course, this is the question of symbolism for the PLO and security for us."

The question of border control around the new Palestinian areas has been thorny. The two sides have been searching for a way to meet Israeli concerns about keeping out terrorists while not infringing on the Palestinian sense of sovereignty.

Crimea Chief Seeks Independence Poll

Compiled by Our Staff From Dispatches
SIMFEROPOL, Ukraine — The victor in Crimea's presidential election, Yuri Meshkov, vowed Monday to seek a referendum on independence from Ukraine.

A referendum, if it were held, could sharpen ethnic tensions on the strategic peninsula and provoke bitter conflict with Ukrainian authorities.

Mr. Meshkov told the Interfax news agency that he would like to hold the referendum March 27, the day Ukraine is to elect a new parliament.

"If he wants independence," said Alexander Piskun, Ukraine's deputy minister for immigration and ethnic issues, "it could mean a very serious conflict with Ukraine."

The Ukrainian president, Leonid M. Kravchuk, did not comment on the outcome of the election, but an aide, Nikolai Mikhalchenko, said that Mr. Meshkov would face "tough measures" if he tried to hold a referendum.

Mr. Meshkov said Crimea could serve as a span between the two former Soviet republics, and vowed that it would never see ethnic conflict. He won the runoff election Sunday with 73 percent of the vote, according to preliminary results released Monday. Nikolai Bagrov got 23 percent.

Mr. Meshkov said his immediate priority was providing relief for Crimea from the mass poverty of post-Soviet Ukraine, not rejoining Russia.

"Crimea should be a bridge between Ukraine and Russia," he said. "Our links with Russia will be the supports and those with Ukraine the roadway. Economic well-being is what's important. Ev-

everything else is of secondary importance."

Russia administered Crimea, where about 70 percent of the residents are ethnic Russians, until 1954, when Soviet leaders ceded control to Ukraine. But Moscow's initial reaction to the election results was one of caution.

The Inter-Tass press agency quoted a Foreign Ministry official as saying that Russia would build relations with Ukraine on the basis of existing agreements. But the official also indicated that Moscow would not ignore the Crimeans' choice simply to please Kiev.

Mr. Meshkov's victory, the official said, "signifies that his position on most urgent issues was understandable to the residents of the Crimea."

The Russian government has repeatedly recognized the territorial integrity of Ukraine but Russia's former parliament, dissolved by President Boris N. Yeltsin in September, effectively demanded the return of the Crimean town and naval base of Sevastopol.

Ukrainian politicians were also cautious. Dmytro Pavlychko, head of the parliamentary foreign affairs commission, called Mr. Meshkov "unpredictable."

"The situation could become more complicated with potential involvement from Moscow," he said.

Mr. Meshkov has said he favored a gradual reunion with Russia, beginning with Crimean independence, closer economic ties, a common currency, and dual citizenship.

"In spirit, the Crimean people have been and remain part of the Russian people," Interfax quoted him as saying. (AP, Reuters)

Free-Market Support Is Solid in Kyrgyzstan

By Margaret Shapiro
Washington Post Service

MOSCOW — Free-market proponents in the former Soviet Union got a significant boost as voters in the remote mountainous republic of Kyrgyzstan gave nearly unanimous approval to President Askar Akayev and his promise to speed up economic reform.

Mr. Akayev, a former physicist turned radical reformer, has been applauded by the West and its lending agencies because of his determination to bring pluralistic democracy and capitalism to this Central Asian nation. President Bill Clinton last year termed Mr. Akayev's Kyrgyzstan "a model" for former Soviet republics.

But like President Boris N. Yeltsin and other reform-minded leaders in the republics, Mr. Akayev, 49, has had to contend with an increasingly hostile parliament dominated by former communists who have criticized his reforms.

Mr. Akayev, who has been president since just before the 1991 collapse of the Soviet Union, called a referendum to end the political conflict.

Mr. Yeltsin tried a similar maneuver last spring that provided only a temporary lull in his battles with Russia's now-disbanded Soviet-era parliament. Whether Mr. Akayev will have more luck remains an open question. A spokesman said that he would press ahead with reform, but also seek to work with the parliament.

Interviews by Reuters after the Sunday vote suggested that many voters in this remote, resource-poor nation attributed current hardships to a recalcitrant parliament and continued to trust the soft-spoken, erudite Mr. Akayev despite plummeting living standards.

In the actual voting, 96 percent of those going to the polls backed Mr. Akayev and his free-market course. Election officials in Bishkek, the capital, reported that 95 percent of the country's 2.2 million voters had participated in the referendum.

Mr. Akayev, who unlike his compatriot presidents in Central Asia never served as a Communist boss, has welcomed Western advisers, including the International Monetary Fund, and actively sought their guidance in restructuring his country. He has moved forward on privatization, introduced a new national currency and liberalized trade and investment laws. In return, Kyrgyzstan has received some \$100 million in aid.

Still, the economic situation is far from good, with once-subsidized industries crumbling, impoverishment growing and many people here feeling that they are retreating toward the nomadic backwardness this region was until Soviet power brought roads, schools, airstrips and industry. Right now, according to government estimates, the minimum wage is only about \$4.50 a month, one of the lowest in former Soviet Union.



LICEO THEATER BURNS — Firefighters salvaging some paintings from the 19th-century Liceo Opera House in Barcelona on Monday. The theater was destroyed in a fire that began when a spark from a workman's blow torch ignited a stage curtain. One person was injured.

Bosnian Serbs Order Call-Up

By John Kifner
New York Times Service

SARAJEVO, Bosnia-Herzegovina — The Bosnian Serbs ordered a general mobilization Monday to push for "a successful conclusion of the war" by a military victory.

"The entire able-bodied population will be mobilized, either into military or labor units, and special women's units will be formed," the general command of the self-styled Serbian Republic of Bosnia announced.

The mobilization appeared to presage a new offensive against the Bosnian government.

Milorad Krajisnik, speaker of the Bosnian Serbian parliament, declared, "The Muslims will never be able to defeat the Serbs."

Bosnian Serbian military leaders issued the order in the face of continued strong resistance by Bosnian government forces, who earlier this month pushed back a large Serbian offensive near the key road junction of Olavo and are now pushing into Croa-held territory in the Lasva River valley.

Among the measures is a crackdown on black-market dealing, apparently aimed at an illicit arms trade in which the Muslim-led Bosnian forces have been buying arms from the Serbs, especially in western areas where the Bosnian forces are fighting Croats.

The Serbian move comes at the same time when Croa forces, bolstered by a large infusion of regular Croatian Army troops dispatched by Zagreb, appear to be preparing their own offensive in Bosnia. It also appeared to be aimed at forcing the Muslim-led Bosnian government to abandon its struggle to regain territory and accept a peace settlement.

The Bosnian Serbian command said it was ordering a full mobilization now because the "international community has decided to support the Muslims' war option and recognize the results of their struggle."

The Serbian forces also expressed defiance of the United Nations, which wants to reopen the Tuzla airport for relief flights. The United Nations has said it was considering approving air strikes to force the

reopening of the airport, which would greatly expand the distribution of food and other supplies to hard-hit areas of central Bosnia.

Manojlo Miodovnovic, the second-ranking general in the Serbian militia, warned: "Not a single aircraft will be able to land at the Tuzla airport using force. If this happens, the aircraft will never take off again."

Other measures in the mobilization are to include a roundup of deserters and draft dodgers, a redirection of "the entire economy toward military purposes" and a tightening up of discipline in the army and the police.

Mr. Krajisnik said Bosnian Serbian military leaders had ordered the measures after a meeting Sunday in the town of Bijeljina. He said the meeting had been called "after the Muslims' refusal to accept a political solution, and after open assistance from the major Western centers, primarily the United States."

He called them "preventive" measures designed to counter "Muslim aggression."

The Serbian forces inherited large stocks of heavy equipment, including tanks and artillery, from the old national army when the former Yugoslav state broke up. The more lightly Bosnian forces have a big advantage in manpower, and over the last half year have reorganized their army into a more effective infantry force, which is now seen as gaining the advantage in the civil war.

3 Suspects in Aid Worker's Death Killed

Three men suspected of involvement in the murder of a British aid worker were killed Monday after being stopped by Bosnian forces while trying to flee. Agency France-Press reported from Sarajevo, Bosnia-Herzegovina.

A police statement said the trio, thought to be involved in the killing Thursday of a British driver at Zenica in central Bosnia, took two hostages while attempting to escape via Sarajevo airport.

They were later ambushed by Bosnian Army forces on Mount Igman south of the city. The three men and one of the hostages were killed in the gun battle.

CZECHS: Robust Economy Defies Europe Recession

Continued from Page 1

particularly regarding the dismantling of subsidies to unprofitable industries.

Others attribute the Czech success to a confluence of positive factors. One is the historic beauty and low cost of travel in the republic, which drew an influx of tourists that injected \$1.3 billion to the economy in 1993.

The pick-up in tourism allowed the private service sector to absorb many of the employees shed by big industries.

Czech exports are extremely competitive because labor costs undercut those in Hungary and Poland.

And unlike Poland, the Czech Republic started out in 1989 with virtually no debt. With its history

as the industrial center of the Hapsburg Empire and one of the strongest pre-World War II European economies, the Czechs had a solid base to build on.

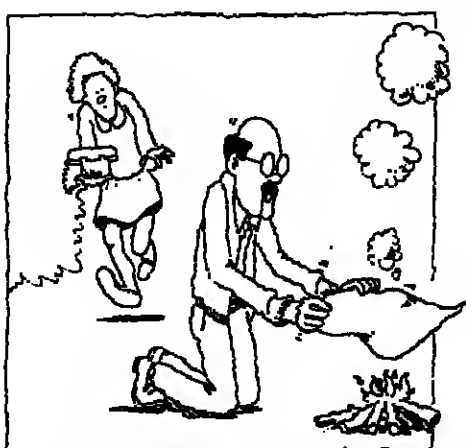
Although the workers are paid less than they were, the government has yet to hear any complaints from the trade unions. In 1991, real wages declined by 24 percent, but there were no strikes.

But the rosy employment situation cannot be maintained forever, economists say. There will be more layoffs as industries are restructured through privatization and others are declared bankrupt.

So far, critics of Mr. Klaus's government say political peace has been bought by allowing bloated and unproductive industries to

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Martha rushed in to break Herbert of his old ways.

WORLD BRIEFS

A New Battlefield Opens in Kabul

KABUL, Afghanistan (AP) — Forces loyal to Prime Minister Gulbuddin Hekmatyar rained rockets on southwestern Kabul on Monday, opening a new front in their battle to overthrow the president.

Until Monday, the front line in the monthlong siege of the capital had been confined to the south and east of the city. The onslaught Monday presented a new problem for President Burhanuddin Rabbani because it could bring his traditional enemy, the heavily armed Shaites, into the fray. Shaites, who belong to the Iranian-backed Islamic Coalition Council of Afghanistan, control most of southwest Kabul. Until now they have remained neutral in the factional fighting that has destroyed many parts of the capital. But it may be difficult for them to remain neutral if the fighting encroaches on their territory. Mr. Hekmatyar already has joined forces with a northern Afghan warlord, General Abdul Rashid Dostum, whose fighter jets have pounded residential areas and government buildings in the capital.

Sect Leader Reportedly Slain in Iran

TEHRAN (AP) — The Iranian Armenian leader of a Protestant sect who had been missing for two weeks has been found slain, his Assembly of God church said here Monday.

A church official said that the police had informed the church on Sunday that the body of Mike Hoesepian, 49, had been found in an alley in Islamabad, a suburb of Karaj, 45 kilometers (28 miles) west of here. He was killed on Jan. 20, the official quoted the police as saying. The police have not publicly reported the killing, but relatives of the victim, who have seen pictures of the body, said it had knife wounds. Church officials said he had disappeared while en route to Tehran's Mehrabad airport to receive a guest from the central city of Isfahan.

TRAVEL UPDATE

Minister Opposes Pompidou Closing

PARIS (Reuters) — Culture Minister Jacques Toubon said he hoped to avoid a complete closure of Paris's Georges Pompidou modern art center — one of France's most popular attractions — for urgently needed renovation work.

Mr. Toubon said on television Sunday that technical experts had recommended closing the steel and glass structure for up to 18 months to speed up essential repairs. But he said he favored spreading out the work over a longer period and closing only one section at a time.

Portugal's public sector unions agreed Monday to call a second 24-hour strike, scheduled for Feb. 11, to protest the government's low offer on wages in 1994.

Pilots at Lebanon's two airlines decided against a 24-hour strike due to be held Feb. 1 after Prime Minister Rafik Hariri persuaded them to resume pay negotiations with management.

President Fidel Castro, opening a new German-run hotel at the beach resort of Varadero, said Cuba's tourism industry was improving impressively, with signs of increasing visitor numbers and better services. The state tourism enterprise Cubanacán said the number of foreign visitors to Cuba reached nearly 700,000 in 1993, up from 488,000 in 1992, and generated gross earnings of more than \$660 million. (Reuters)

JAPAN: A Leap Despite Warning

Continued from Page 1

only about 2 percent in the fiscal year starting April 1, following essentially flat growth in the current fiscal year. Kyoto News Service reported. Other agencies believe that the official forecast should be set higher, at around 2.5 percent to 3 percent.

Some private economists argue that the stimulus package will barely help at all.

"It's not going to be the elixir that puts Japan back on a recovery path," said Donald Kimball, senior economist at Mitsubishi Bank.

Japanese manufacturers, he said, are still burdened with so much excess capacity and personnel that they will be forced to shed hundreds of thousands more workers later this year.

"We simply don't think any fiscal measure that the government could enact will get us out of the hole," he added. "The problems are too great and too structural in nature."

The package will be the first to include a major income-tax cut that Tokyo has introduced since the economy began to slow in 1991. But the stimulative effect of the income-tax cut will be diluted

somewhat, because Mr. Hosokawa and other top cabinet members have said they intend to finance the tax cut by simultaneously introducing legislation for an offsetting rise in the consumption tax, after a delay of perhaps two to three years. That position reflects the Finance Ministry's view that the government should avoid the sort of tax-cutting that generated large deficits in the United States.

Why would an income tax cut induce consumers to spend more if they knew they would have to pay it back via the consumption tax in the future, a Finance Ministry official was asked. He replied to reporters that Japanese consumers would not necessarily behave with perfect rationality.

"If my disposable income increases now, I feel more in a relaxed mood and think of spending right now," he said, adding, "Obviously, this is something that will have to be tested in the market."

The biggest party in the governing coalition, the Social Democratic Party, is opposed to raising the consumption tax, and there is some possibility that its members will rebel over the issue. That might cause a new delay in the introducing the stimulus package.

ROVER: BMW's \$1.2 Billion Deal

Continued from Page 1

operations in Britain. But Rover's chairman, George Simpson, said: "Today's development may suggest some change in that relationship."

Mr. Fischermeier said at a news conference in London that there was little overlap between BMW's and Rover's product lines and that BMW would be able to expand distribution of Rover's cars, particularly in key markets like Germany and the United States. This, he said, might enable Rover to expand production.

Producing in England offers BMW advantages, said Gebhart Klingensmith, managing director in Frankfurt of Barclays de Zoete Wedd, a brokerage controlled by Barclays Bank. "Wages are lower; there, costs are lower; there, so building there makes sense."

Rover sold 442,000 cars last year, primarily in Britain, and was the only European automaker to sell more cars than in 1992, reflecting Britain's recovery from the recession that continues to plague much of the rest of Europe. Rover had a pre-tax operating profit last year of

\$56 million, or \$84 million, on sales of \$4.3 billion. In 1992, Rover had an operating loss of \$49 million.

BMW sold 534,000 of its luxury cars worldwide, including 78,000 in the United States, where its sales have been rebounding, aided by an improving economy and aggressive price cuts. BMW is building an assembly plant in Spartanburg, South Carolina.

Mr. Fischermeier said BMW saw an opportunity to sell more Land Rovers around the world, including in the United States, possibly by distributing them through BMW's dealer network.

But analysts said the real motivation for BMW was to establish itself in the market for smaller, less expensive cars. Rover's strengths are at that end of the market, in cars like its Mini and Mini and its 200 and 400 series.

"There's no doubt that it's going to be very difficult to survive in Europe solely as a producer of large and executive cars," said John Lawson, an automotive analyst at DRI/McGraw-Hill in London.

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THE AMERICAS / NOT-SO-SPECIAL RELATIONSHIP

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U.S. Platform for Sinn Fein Chief Dismays the British

By William Schmidt
New York Times Service

LONDON — British government officials said privately Monday that they were deeply unhappy with a decision by the Clinton administration to reverse a two-decade policy and allow the leader of the Irish Republican Army's political wing to travel to New York to address a conference on Northern Ireland.

Gerry Adams, the leader of Sinn Fein, was granted a 48-hour visa and arrived in New York on Monday.

British officials are troubled that by allowing the visit the United States is offering Mr. Adams an international platform, though he has yet to renounce the IRA's commitment to the use of violence to force the British to leave Northern Ireland.

Upon his arrival in New York, Mr. Adams said at a news conference that the current generation of young Irish Republicans would see peace in Ireland. Reuters reported, "Whether it will come in the short term or long term I can't say," he said, adding: "We have to produce a demilitarized nation."

Asked if the IRA supported a cease-fire, Mr. Adams said: "I don't speak for the IRA, I speak for Sinn Fein." But he added, "The largest military presence in the north of Ireland is the British Army, followed by

the allies of the loyalists and then the IRA. I want to see them all disarmed."

Asked if the British should leave Northern Ireland, he said that was not necessary if they became part of the peace process. "They have to become the persuaders," he said. "Once they become part of the peace process, then we will be able to build a peaceful country."

Mr. Adams said he hoped the British prime minister was willing to take the necessary steps to bring peace to Ireland. "If John Major is willing to go the extra mile," he said, "I am too. Let's bridge the gap."

As one of the most visible figures in a militant Irish nationalist movement that describes itself as war with Britain, Mr. Adams is regarded in Britain as leader of a terrorist organization.

While Britain acknowledges that it began secret contacts last year with Mr. Adams in an effort to begin a new peace process for Northern Ireland, Mr. Adams's voice is banned from airwaves here, and he is denied permission to travel to the British mainland.

British newspapers were quick Monday to describe the rift between London and Washington over Mr. Adams's visa as the latest evidence of a growing

coldness between the Clinton administration and Prime Minister John Major's government.

The strain in relations derives, in part, from reports during the 1992 presidential campaign that Conservative Party officials not only worked on behalf of former President George Bush, but also that government officials searched files here for damaging information dating from Mr. Clinton's days as a student in Oxford, during the 1960s.

Last week, the U.S. State Department reassured the government that Mr. Adams would receive a visa only on the condition that he renounce IRA violence and back the joint peace declaration, which would allow Sinn Fein to join talks on the future of Northern Ireland once it has agreed to lay down its arms.

On Sunday, citing what it said were conciliatory comments by Mr. Adams during a meeting with American diplomats Friday in Belfast, the White House announced it was granting the visa. But the British said they have not been made aware of anything Mr. Adams has said that suggested he was now prepared to renounce violence or join the peace process.

In New York, the British foreign secretary, Douglas Hurd, avoided any direct criticism of Washington,

although he did call the granting of the visa "an American decision entirely."

A spokesman at No. 10 Downing Street said the prime minister's office hoped that the organizers of the conference that Mr. Adams was to address would "make it clear that evasive, noncommittal statements are not enough, and responsibility for peace rests on Adams and his colleagues."

Political leaders in Northern Ireland who favor ties with Britain and oppose the IRA reacted with fury to the American move, describing it as a betrayal. John Taylor, a member of the Ulster Unionist Party, called the decision "obscene," and said the United States had "lost all moral authority and cannot condemn terrorism elsewhere."

The Sinn Fein leader had for years sought permission to travel to the United States.

In interviews and statements in recent days, he has said he personally does not advocate violence. "I want to see any end to all violence and an end to this conflict," he said.

But officials in London said such remarks did not represent a change in Mr. Adams's position, nor did they constitute a renunciation of violence on the part of the IRA.

★POLITICAL NOTES★

How Clean Is Clean? Reprieve on Toxic Sites

WASHINGTON — The Clinton administration is about to propose a major revision of the Superfund law that would ease requirements for cleaning up some toxic waste dumps, depending on how the land would be used in the future.

The administration's bill will be one of the most important and most debated pieces of environmental legislation Congress considers this year. It is expected to be made public this week with the endorsements of several congressional leaders.

The 1980 Superfund law, which created the largest program administered by the Environmental Protection Agency, was intended to ensure that businesses assumed the liability, currently estimated at \$80 billion to \$300 billion, for cleaning up thousands of sites where hazardous substances were dumped. But it has failed to achieve many of its goals, with slightly more than 200 sites cleaned up and with years lost to costly litigation over who should pay for the work. One reason is the law's inflexibility, a problem the new approach is meant to redress.

Carol M. Browner, the agency's head, and other senior officials said that the changes the administration was proposing were intended to speed the cleaning of sites, to lower the costs of making them safe and to encourage economic development at many urban sites. One way to do this, they said, was to be flexible in answering a simple question that never has a simple answer: "How clean is clean?"

"There will be different levels of clean," Ms. Browner said. She said that the legislation would require cleaning a site to the highest level possible if the land was intended for residential development, where people would face the greatest risk of exposure to lingering pollution. Less restoration would be needed if the site was to be used for commercial or industrial development, where the risks of exposure would be less.

Quake Shaping Up As Record Disaster

Reuters

LOS ANGELES — More than 200,000 victims have flooded relief offices with aid requests following the Los Angeles earthquake, virtually guaranteeing it will surpass the hurricane in southern Florida in 1992 as the costliest U.S. disaster.

Even as federal funds poured in, the authorities began cracking down on price-gouging and food-stamp fraud, which have hampered the recovery. Ten suspects were arrested in what officials called a front for one of the major scam operations that have sprung up.

The Federal Emergency Management Agency reported that it had received more aid applications in the two weeks since the quake than in the first six months after the hurricane's onslaught.

The latest figures provided further evidence of what Governor Pete Wilson had already predicted — that damages from the quake would top the \$30 billion in losses Florida sustained in 1992.

The quake that rocked Los Angeles before dawn Jan. 17 killed 60 people, collapsed freeways and destroyed more than 14,000 houses and apartments. At least 25,000 people were left homeless.

Scientists working to unlock the secrets of the earthquake have concluded that its epicenter — where the first seismic waves reach the surface — was actually in the town of Reseda, several miles south of Northridge, which had been thought to be the epicenter.

As the authorities investigated hundreds of complaints of price-gouging, consumer activists fanned out to confront merchants whom residents accused of cheating them.

They were demanding that store owners sign agreements pledging to charge fairly or face boycotts. People had reported paying up to \$10 for a gallon of milk, or about \$2.65 a liter.

Federal agents arrested 10 people and seized thousands of dollars in cash and food stamps from an operation suspected of illegally laundering coupons that were supposed to have gone to poor people under an emergency distribution.

Los Angeles city officials, angered by complaints that landlords have been using the quake to evict tenants illegally and raise rents, warned building owners they would be dealt with harshly.



Bill Clinton gave front-row White House seats to Governor Zell Miller of Georgia, and his wife, Shirley, to watch the Super Bowl.

FUMBLE: Humiliation and Moments of Truth in the Super Bowl

Continued from Page 1

then they did whatever it took to raise Buffalo hopes.

Then Thurman Thomas fumbled. Again. The man who lost his helmet in Super Bowl XXVI, the man who was held to 19 yards rushing in Super Bowl XXVII, the man who had lost a fumble in the first half Sunday, had done it again.

The ball squirted out of a pile near midfield. James Washington of the Cowboys picked it up and headed toward the Bills' end zone 46 yards away.

That split second, when Washington grabbed the ball, was the milliseconds when the wills of the Bills failed. Ten Cowboys bounced up off the artificial turf, looking for somebody to block. Seven Bills lay on the ground.

True, it takes spunk to bounce off the ground on a play when you know that you'll probably never run down a fast defensive back from behind. Still, you're coached from the lowest levels to fight your lazy instincts at such moments and get back in the play. Especially in the Super Bowl. Especially if you are the Bills, history's leading Super Bowl suspects.

As the Bills' quarterback, Jim Kelly, forced Washington to cut back, seven Bills stayed where they were — on their backs or knees. When the John Fina forced Washington to reverse his field angle, around the 25-yard line, where was the Bills pursuit? It was nowhere. Or, rather, it was still sitting on its rear end at midfield. One of the seven had

arisen and loped toward the play. The other six, no.

Suddenly, the most important play of Super Bowl XXVIII had turned into a joke. Washington realized that he had 10 blockers with only a couple of Bills to beat. So, he ran everywhere, cutting back and forth, making sure no Bill even got close to him. In all, Washington's touchdown on a fumble return probably covered about 100 yards, counting all his swerves and weaves. Yet, when he crossed the goal line — about 10 seconds after the play began — six Bills were still at midfield. No six players were ever so alone. No Cowboy was within 50 yards of them. They were in the end zone celebrating a 13-13 tie.

At the Super Bowl, you bear that the Bills have no heart, that they play in a weak conference and have developed a bully complex. They beat so many AFC teams so badly that, when somebody matches or surpasses their raw talent, they stop playing.

Knowing that they carry this reputation, as the Bills needed to summon themselves to the game, they turned their eyes away from each other and contemplated their Bill-ness. When self-destruction is your forte and it happens again, maybe you go into shock. At the very least, Thomas went into a shock. That's what the Bills say, anyway. When Buffalo got the ball again, the Terminator was standing on the sideline watching.

Of course, the Cowboys, like a great team, smelled the kill. Still, the way the Bills rolled over was vintage.

"They hit a lull. I really believe that," said the game's most valuable player, Emmitt Smith. "They fell into a slump."

Kelly got sacked by a multitude of Cowboys on third down. An awful punt gave the Cowboys the ball at their 45. And Jimmy Johnson told his Pokes to test the stomach of the Bills defense.

On eight snaps, Smith carried seven times, always between the tackles, always attacking bigger men. "We ran the same play every time," Smith said. "I'm not going to tell you what because we'll have to use it next year. But if you can't stop it, we're going to run it and run it and run it."

It was Smith for 9, 3, 9, 7, 13, 4 and finally, 16 yards for a touchdown and a 20-13 lead.

"The fumble recovery, then the long march on the ground changed the game," said the Bills' coach, Marv Levy. "They didn't really run the ball very well at any other time, except that drive."

"You have nothing to be ashamed of," Levy told each player afterward in the locker room. "I have no words of wisdom. I couldn't have any higher regard for you as a person if we'd won."

Don't be too forgiving. As much as anything, great sports events are about moments of truth and what teams do when they arrive. Few teams have left as vivid an image of their response to such crises as the Bills. First, they don't get up off the deck very fast. Then, they don't band together and fight back. You can't say anything much worse about a team than that.

PEPSI: The Mayan Elders of Southern Mexico Know God's Taste in Colas

Continued from Page 1

that Pepsi holds about a 3-to-1 lead over Coke, with Squire running a distant third.

According to Mr. Mendez, Tenejapa's preference for Pepsi actually has little to do with religion but lots to do with the town's mayor, Sebastian Lopez. He is a member of the Institutional Revolutionary Party that has controlled federal, state and local politics in Mexico for the past six decades.

"He is known as 'El Pepsi' because he has the only Pepsi bottling concession in the area," Mr. Mendez said.

Mr. Lopez has made the soft drink a virtual form of currency in this impoverished mountain town. If one man assaults another man here, Mr. Mendez said, Mr. Lopez administers justice by ordering the guilty party to buy the

other a Pepsi. If someone is caught stealing, Mr. Lopez allows him to apologize by buying a few cases for the town.

Mr. Lopez was not available for comment. His aides refused to answer questions and ordered townspeople not to talk to journalists. They did anyway, as long as the topic did not veer from poach and Pepsi.

Strictly forbidden were any questions relating to a Jan. 1 uprising near here by Indian peasant rebels of the Zapatista National Liberation Army. Elders, along with other townspeople, have mastered the stock response to journalists: "We know nothing about it."

In nearby Winkilom, villagers who describe themselves as political outcasts from Tenejapa speak of Mr. Lopez in terms of revulsion and spite. They are members of a small leftist oppo-

sition party dedicated to the downfall of Mr. Lopez's party. To demonstrate their political commitment, they said, they have adopted Coca-Cola as the unofficial village beverage.

Last April, Coca-Cola said it was moving to regain market share recently lost to Pepsi by purchasing a 30 percent stake in the nation's largest bottling company for nearly \$200 million. A month earlier, Pepsi announced plans to invest \$750 million in various bottling concerns nationwide.

To accompany its expansion, Coca-Cola launched a new advertising campaign in Chiapas late last year to promote a new two-liter (half-gallon) bottle. The company, however, has yet to change its newest slogan to promote the bottle, which was plastered on billboards just before the uprising: "It's Revolution!"

Away From Politics

- Smoking and drug use by teenagers is on the rise. An annual survey of 51,000 high school and eighth-grade youths found that more are now experimenting with cocaine and other illicit drugs. The study by University of Michigan researchers found that 9 percent of eighth graders (children about 13 years old), 19 percent of 10th graders and 26 percent of 12th graders reported using marijuana in the past year. Increases of 2 to 4 percentage points from a year earlier. Eight percent of the eighth graders, 14 percent of 10th graders and 19 percent of the seniors said they smoked cigarettes daily — up by 1 to 2 percentage points.
- An illegal hunting ring killed at least 30 California black bears and sold their gall bladders and other parts for thousands of dollars, authorities said. The alleged ring leader, William Jim Task Lee, 35, has been charged with four felony counts of illegal hunting and trading. Some Asian cultures consider bears' gall bladders to have medicinal value and bear paws and other parts to be delicacies.
- The countdown began for the first U.S. shuttle flight with a Russian cosmonaut, who will share duties with an American crew. The shuttle's pilot, Kenneth Reizender, said of Sergei Krikalev, "We're going to keep him busy on this flight."
- A father in Miami gunned down his three children, aged 5, 4 and 1, and a family friend and wounded his wife before killing himself. The police said they did not know William Gutierrez's motive for the rampage at the family's apartment.
- Four employees of a Taco Bell restaurant were found shot to death in Clarksville, Tennessee, in an apparent robbery.

Gags on Free Speech Unsettle Canadians

By Charles Trueheart
Washington Post Service

TORONTO — Canadians do not think of themselves as a nation of censors. Free speech and a free press, along with other fundamental liberties, are enshrined in their constitution. Political debate and artistic expression are vigorous here.

That is why some Canadians are beginning to question a spate of new constraints on free expression imposed by courts and law enforcement agencies.

To free-speech activists and a few journalists, a succession of recent news blackouts and pornography seizures represent a bleak trend toward repression. To most readers, censorship at the edges is an acceptable trade-off for social order. Like most Canadian arguments, this one makes copious references to the example, good and bad, of the United States.

The most startling incident in the free-speech debate was a police raid on a Toronto art gallery three days before Christmas. Acting with broad discretion under new statutes on child pornography, police seized five paintings that depicted naked children and adults in indecent juxtaposition. The artist and gallery owner are being prosecuted.

Censorship, a free-speech group, compared the gallery raid to another form of state harassment that it has been tracking for years: Canada customs officials, acting under obscenity laws, repeatedly have seized shipments of books at the U.S. border, chiefly gay and lesbian titles.

These encroachments come at a time when Canada's tradition of publication bans is flourishing. Almost any week, one can read about a judge somewhere in Canada imposing or defending restrictions on news coverage of certain court proceedings.

One such ban covered a TV documentary based on a case of sexual abuse at a Catholic orphanage while the real-life defendants were appealing convictions. Court-ordered gag orders protected a financier in Vancouver and a feuding family of fast-food moguls in New Brunswick from the intrusion of reporters until higher courts removed the restrictions.

In the United States, journalists believe the law doesn't apply to them," said John Honderich, editor of the Toronto Star, Canada's largest newspaper. "In Canada, journalists believe we have no special rights. We're like everyone else; we respect the law."

U.S. and Korea Hint at Resumption of Military Exercises

Compiled by Our Staff From Dispatches

SEOUL — South Korea will hold major military exercises with the United States this year unless North Korea allows inspections of its suspect nuclear sites, a Defense Ministry spokesman said Monday.

The stakes in the North-South diplomatic standoff were further raised by unconfirmed news reports that Seoul had decided to add three submarines to its fleet.

But Prime Minister Lee Hoi Chang insisted that recent military developments, including a plan to station the Patriot missile defense system in the South, did not mean that the nation faced a greater threat from North Korea.

"Nothing has changed on the Korean security situation," he said.

The Defense Ministry spokesman said Washington and Seoul had agreed to scrap the annual "Team Spirit" military exercise only if Pyongyang demonstrated that it was not developing nuclear arms.

"Our position," the spokesman said, "is that unless the North agrees to full nuclear inspections, Team Spirit will be held this year, although the March schedule might be rearranged."

North Korea denies developing nuclear arms but is resisting demands by the Vienna-based International Atomic Energy Agency for access to nuclear facilities. Pyongyang calls the Team Spirit maneuvers a rehearsal for invasion and has long demanded that they be stopped.

In overnight statements, it repeated its angry reaction to U.S. plans to deploy the anti-missile batteries in the South and what it said were American moves to increase intelligence-gathering.

"The military and intelligence measures taken by the United States," a statement said, are "far removed from peaceful negotiation and are premeditated provocations that will bring the situation of the Korean Peninsula to an extremely reckless phase of war."

The atomic energy agency said it was awaiting Pyongyang's response to its demands for access to

certify no nuclear material had been diverted to the suspect program.

The agency's governors, due to meet in the week beginning Feb. 21, are likely to report North Korea to the UN Security Council if it fails to comply. Sanctions then could be imposed.

For Pyongyang, events of the past few days — a visit to Seoul by the CIA director, R. James Woolsey, and confirmation that Washington is poised to deploy Patriots — seem to have deepened suspicion.

Its ruling party daily, Rodong Sinmun, accused Washington of using the "fictitious nuclear threat" to gear up for war.

Southern military officials have confirmed that Seoul supports the deployment of the Patriot missiles, which were used in the Gulf War against Scud missiles similar to those possessed by Pyongyang.

The Defense Ministry spokesman, citing constant military threats from the Stalinist North, also talked of U.S. plans to deploy Apache attack helicopters and upgrade military equipment.

But he declined to comment on a report in the Chosun Ilbo daily that quoted a senior navy official as saying Seoul planned three new submarines to increase its submarine fleet to nine by 2001.

But South Korean leaders appeared eager to calm anxieties.

Tokyo Denies Nuclear Arms Report

The Associated Press

TOKYO — Japan on Monday denied a British newspaper report that it had acquired all the parts needed to make a nuclear weapon.

Deputy Foreign Minister Kunihiko Saito said at a news conference that the report in The Sunday Times was "contrary to the facts."

He said his ministry was pursuing the matter with the British Ministry of Defense. The report said the British ministry had warned

Prime Minister John Major that North Korea's nuclear program may force Japan to abandon its nonnuclear stance.

Mr. Saito said Japan maintained its three-point policy of not producing, possessing or bringing in nuclear weapons. It has not considered even the possibility of developing nuclear weapons, he added.

Another Foreign Ministry official added that since Japan had not thought about producing nuclear

arms, "we don't even think about what parts are necessary to make a nuclear weapon."

The official, who spoke on condition of anonymity, said "the use of nuclear technology in Japan is limited to peaceful purposes and the report is groundless."

A Defense Agency spokesman, Takahiro Goto, also said Japan was maintaining the three-point policy outlined by then-Prime Minister Eisaku Sato in 1968.

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Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Now for the Budget Battle

Last year, Bill Clinton and Congress had their big budget battle. This year they count the wounded. The budget rules are tighter than the critics suggest. For just about any legislative spending increase there has to be an offsetting cut. To finance the various spending increases he will propose, the president, according to his budget director, will recommend cuts in inflation-adjusted terms in more than 500 programs. Many of these have been dear to Democratic hearts. There has already been some skirmishing over proposals for the Department of Housing and Urban Development, the Department of Health and Human Services and the Department of Labor. Advocacy groups that used to be allies find themselves rivals in the scrap for funds. There has not been a budget like this in memory.

Three questions occur as the president prepares to submit the budget next Monday. The threshold issue is whether Congress will make the cuts he wants. The second is whether, if it does make the cuts, it will also spend the proceeds as he wants it to, or follow an election-year agenda of its own. The third is whether the tightness of the budget will help to deflect such further showmanship as the misbegotten balanced budget amendment to the constitution, due to come up in the Senate in February. The administration rightly hopes so. Last week the Congressional Budget Office confirmed the salutary effect that last year's budget agreement will likely have on the deficit over the next few years. Budget director Leon Panetta pounced on the report to observe that "if you're willing to make tough choices, you don't need to change the constitution."

Here, from three great democratic departments that have always been home to Democrats, is a little of what you can expect. At Housing, to free up funds for dealing with the homeless and for other purposes, the admini-

stration is said to be planning to cut appropriations for the mainstay public housing program by as much as a third. The theory is that enough public housing modernization money is in the pipeline to sustain the program for a year. Public housing groups say that this is not so, and that the administration is basically asking one group of poor people to finance increased aid for another. What kind of Democratic program is that, they ask?

Likewise at Health and Human Services, where, to finance increases in Head Start and federal child care subsidies, among other causes, the administration is contemplating a sharp cut in a program that helps low-income people pay their heating bills. Fifty-one senators, including majority leader George Mitchell of shivery Maine, have signed a letter of protest. Officials have the problem as well of trying to finance the welfare reform proposal that the president has promised to make this year. One possibility is cutting aid to legal immigrants. A cut such as that produced an ugly break among Democrats in the House last year. Hispanic members accused the party of immigrant-baiting.

As to Labor, Secretary Robert Reich made a speech last week in which he said a number of existing job training programs don't work and are going to be scrapped in favor of others that do. The speech was a kind of preemptive strike. The administration wants to create a large new job training program. It needs funds for that, and faces skepticism about the efficacy of older programs. By cutting or merging out of existence some of the older programs, it begins to solve both problems at once. In fact, it's a healthy win-win process that the secretary is undertaking, but each of the older programs has a constituency; a few have already begun to make themselves heard. It's a sound you are going to hear all year.

—THE WASHINGTON POST.

Secrets, Secrets, Secrets

Washington's secret war over secrecy has taken a predictable turn. A year ago, President Bill Clinton asked an interagency working group to establish a less secretive system for classifying documents. The working group labored, and came up with a draft executive order in November, which (naturally) was kept secret. Fortunately, a copy was leaked to the Federation of American Scientists. And lo, the federation found that while suggesting a few modest reforms, the draft order would actually close the shutters tighter.

The draft order proposes, with a few exceptions, a maximum classification lifetime of 40 years. As the federation's analysts point out, Richard Nixon set a maximum of 30 years for most classified documents, and Jimmy Carter fixed the limit at 20 years. This extended period outweighs the hypothetical benefit of a "balancing test" that would allow decision-makers to weigh the public interest against national security concerns.

The acting archivist of the United States, Trudy Peterson, made the point in a recent letter to Vice President Al Gore: "In our experience, there is virtually no information over 30 years old that requires continued classification. Most documents of this age are so irrelevant to current security concerns that continued withholding seems inappropriate if not laughable."

Ms. Peterson is custodian of 325 million classified documents, including files dating to World War I. The secrecy establishment opposes en bloc declassification, and favors an

arduous reviewing process that would take decades. Otherwise, it is said, the genuinely sensitive morsel might fall into the wrong hands. Granted, that is a risk. But how much greater is the danger in democracy in excessive secrecy that denies Americans information essential to accountability.

A more direct approach to weeding out this secret garden is advocated by Representative Dan Glickman of Kansas, chairman of the House Intelligence Committee. Most documents are classified by executive order, without defined standards on who decides what to keep secret. Mr. Glickman would open the whole process to debate in public hearings and is drafting a bill that would establish clear rules and fix a 10-year or six-year limit, whichever feasible, on classified secret materials. Those House hearings might also illuminate another murky front in the administration's war on secrecy. In 1993, for the third successive year, the Senate adopted a resolution urging disclosure of the now secret budget of the Central Intelligence Agency. Yet Mr. Clinton only a few weeks ago refused again to divulge the aggregate intelligence budget. With the Cold War over, this secrecy is hard to justify.

The case for sunlight was expressed long ago by James Madison: "A popular government without popular information, or the means of acquiring it, is but a prologue to a farce or tragedy, or perhaps both."

—THE NEW YORK TIMES.

Other Comment

Environmental Protectionism

The European Commission's president, Jacques Delors, let the cat out of the bag when he cited the danger to Europe's prosperity from Asian imports as his reason for welcoming President Bill Clinton's attempt to impose environmental and labor standards on developing countries. True, this was a French cat; but the bag is Western and it is loaded with hypocrisy. Fortunately, the Western camp is not united in opportunism. The European Union's trade commissioner, Sir Leon Brittan, has repudiated Mr. Clinton's new trade agenda on the ground that he did "not want to have a pretext for protectionism in the name of the environment."

This is not to deny that many Asian cities and waterways, and some agricultural land, forests and air quality, have deteriorated as the region grows apace. But Western industrial states experienced far worse damage at comparable stages of their development. The West's attempt to champion environmental concerns is, therefore, a poorly camouflaged form of rearguard action that pays unwitting tribute to Asia's present and potential status.

—The Straits Times (Singapore).

Mysteries of Health Care

It doesn't make any sense in that our nation accounts for 40 percent of all health care spending around the world, and we have only 5 percent of the people. It doesn't make any sense to me that what we get for that additional spending is a lower proportion of citizens with health care than the other indus-

trial countries. A typical insurance policy here provides less coverage than in any of the other major industrial countries.

I think we agree on universal coverage within an employment-based system. We need to reduce job lock and to start agreeing to insure unhealthy people instead of only healthy people. We agree we need to do more in the way of preventive medicine so that doctors don't have to send children coming in an emergency room because the parents couldn't afford an immunization shot. We agree consumers need more information, need to know more about quality and the costs of their care. And we agree that to be effective the plan must achieve real cost containment head-on.

In this town, you don't do anything big anymore if it's not going to reduce that deficit.

—From a speech by U.S. Treasury Secretary Lloyd Bentsen, quoted in The Washington Post.

ASEAN Aid for Asians

The burgeoning wealth of Southeast Asian nations means that they are in a position to become aid givers. It is time they did so seriously, especially since traditional donors have become more reluctant.

Where should ASEAN's aid go? The most immediate targets ought to be Vietnam, Cambodia, Laos and Burma—economic laggards that are showing new potential and an appetite for development. Grants could be tied to purchases within ASEAN. Soft loans would open fresh trade opportunities.

—Asiaweek (Hong Kong).

Incentives to Make Renunciation of Nuclear Arms Pay

By Selig S. Harrison

WASHINGTON — The pending nuclear deal with Ukraine should serve as a model for the Clinton administration in pursuing a settlement of its nuclear inspection controversy with North Korea.

If the Moscow agreement is ratified by the Ukrainian parliament, Kiev will get \$1 billion in enriched uranium for its power plants over a nine-year period, starting with \$60 million in the next 10 months, with an initial influx of \$300 million in World Bank import credits and the promise of unspecified additional billions in trade, investment and U.S.-supported help from international lending agencies during the years ahead.

To Ukrainian leaders, this is a modest price for giving up their nuclear option while the United States, Russia and other existing nuclear powers keep their own nuclear weapons and continue to rely on them in their military strategy. Similarly, North Korea wants to exact its price for acceding to what it sees as inequitable U.S. demands.

The "package solution" to the nuclear dispute proposed by Pyongyang on Nov. 11 envisages North Korean concessions on U.S. nuclear inspection demands synchronized with U.S. diplomatic recognition, together with the removal of restrictions on trade and investment and help in obtaining multilateral credits similar to the role being played by the United States in the case of Ukraine.

Diplomatic recognition is the top priority because the North fears that the United States wants to promote its collapse and absorption by South Korea, repeating the German unification model. In the North's perspective, the normalization of political and economic relations would signify U.S. readiness to coexist. Equally important, economic

help would compensate for the crippling loss of the economic subsidies provided during the Cold War by Russia and China.

The North is also seeking a U.S. pledge not to use or deploy nuclear weapons in Korea, through a bilateral agreement with North Korea or a multilateral accord involving Russia, China, North and South Korea and Japan.

In an effort to convince Washington that it has no intention of developing nuclear weapons, Pyongyang has asked for help in shifting from its graphite-based nuclear reactors to light-water reactors, which are less easily adapted to a weapons program. This would involve an estimated \$2 billion in credits over 10 years to be shared by the United States, Japan, South Korea and multilateral agencies.

Pyongyang, for its part, has signaled that it is prepared to return to full membership in the Nonproliferation Treaty and to open up its declared nuclear facilities to unimpeded, regular International Atomic Energy Agency inspections. This would include full access to the key five-megawatt reactor and reprocessing plant at Yongbyon.

A compromise formula to permit inspection of two suspect waste dumps appears increasingly likely, provided these are not designated as "special inspections," thus setting a precedent for inspection of other undeclared nuclear facilities. The North Korean armed forces fear that random access to military bases through "special inspections" could be used for espionage purposes by U.S. and South Korean intelligence agents working under IAEA cover.

Ukraine is in a stronger bargaining position than North Korea because it possesses inter-

continental nuclear missiles that pose a clear threat to America. North Korea, by contrast, poses a hypothetical, limited threat.

Using identical evidence available to all of them, American intelligence agencies differ on whether North Korea has accumulated enough plutonium to make one or more bombs and whether it has the trigger technology necessary to detonate a nuclear weapon. Nevertheless, the United States is properly concerned that continued uncertainty over North Korean capabilities is stimulating pro-missile sentiment in Japan and South Korea.

The essence of Pyongyang's position is its insistence on simultaneous concessions. Washington has argued that the North must give in on inspections first to fulfill its obligations as a signatory of the Nuclear Nonproliferation Treaty. The tortuous preliminary negotiations during the past three months have been over how much Pyongyang would have to concede on inspection before the United States would agree to link a nuclear settlement with political and economic issues.

The Clinton administration is deeply divided over whether to engage in negotiations on a "package solution" at all and what trade-offs to offer if it does. Hard-liners argue that giving too much would tempt Iran and other would-be nuclear powers to engage in "nuclear blackmail" of their own. But the benefits of getting North Korea to give up its nuclear option outweigh this concern.

A part from defusing pro-nuclear sentiment in Tokyo and Seoul, resolution of the nuclear dispute with Pyongyang would remove the need for a costly conventional military buildup throughout Northeast Asia. The Pentagon is already planning for a possible increase in U.S. capabilities in South Korea, including Patriot

missiles, and for an \$8 billion U.S.-Japanese Theater High-Altitude Area Defense System to counter the threat that would be posed by nuclear-capable North Korean missiles.

Perhaps the most important benefit of a "package solution" is that it would accelerate the cautious opening to the outside world recently initiated by Pyongyang. In the new Rajin-Songbong free trade zone, foreign investors can establish fully foreign-owned enterprises, get a five-year tax holiday and a 14 percent tax rate and enter the zone without visas. Like China, where economic liberalization also started in carefully circumscribed special zones, North Korea is likely to find that the processes of change are difficult to control and localize once they get under way.

The lesson of Ukraine and North Korea alike is that other countries will inevitably put a price tag on relinquishing their nuclear option so long as nuclear weapons remain the principal global currency of power and status. The only way to stop nuclear proliferation without paying off would-be nuclear powers in one form or another is to move purposefully toward a nuclear-free world.

General Andrew Goodpastor, author of a recent Atlantic Council report, has proposed that the United States and Russia reduce their nuclear weapons in stages from the current 3,000 each to 1,500, then 200, then zero, contingent on specified steps by others. Is this dreaming? No more than the naive belief that America can get other countries to forswear nuclear weapons without making it profitable for them in terms of their own national interest.

The writer, a senior associate of the Carnegie Endowment for International Peace, contributed this comment to The Washington Post.

Let's Put a Proper Price on Trees

By Alan Thein Durning

WASHINGTON — Two-thirds of the world's original forests have been felled, and despite a decade of well-meaning global initiatives the chainsaw is working faster than ever. Halting deforestation will require radical changes in property rights to forests, pricing of forest products and political power over the fate of forests.

Current policies in both developed and developing countries accelerate forest loss by subsidizing disposal of timber at cheap prices. In the United States, for example, the federal government's Forest Service, which long denied that it was subsidizing logging, said in April that it would stop selling timber from 62 of the 156 national forests it administers because they had consistently lost money on timber sales.

Trees are worth a lot more standing than as lumber. The prescription drug industry alone is estimated to earn more than \$100 billion in annual sales of drugs with active ingredients derived from forests. No one knows how many new medications may be developed from forest products as yet untested. Flood prevention, watershed stabilization and fisheries protection services provided by forests are each worth billions of dollars a year.

Because such services fail to show up in conventional accounting systems, these benefits and the trees that provide them remain undervalued. Governments should tax, rather than subsidize, forest destruction. Then more of the value of forests would be reflected in the price of wood.

Charging visitors to U.S. national forests just \$3 per day would generate more revenue than selling timber from those forests does now. The proceeds would be a powerful incentive for the U.S. Forest Service to preserve areas under their control instead of promoting timber cutting and mining.

The first priority for creating a sustainable forest economy is a property rights system that allies the interests of forest dwellers with the health of forest ecosystems. Reforestation initiatives in developing countries routinely fail when the forest land is under the exclusive control of local residents. Thousands of recent examples show that joint management systems, in which residents benefit from forest use and protection, produce tangible results for conservation. Some 10,000

villages in India are sharing management responsibilities in an area of about 1.5 million hectares. The concept has been gaining popularity elsewhere in Asia and in Africa.

Meanwhile, a few nations in the Americas tropics have taken more decisive strides toward forest tenure reform. Under forest trusts in Ecuador, Bolivia, Brazil, Colombia, Ecuador and Venezuela have all recognized land rights of tribes that have inhabited and conserved the forests for hundreds of years. Each of these countries has demarcated vast areas in the Amazon basin as indigenous homelands. While there are serious problems in enforcing these regulations in the face of pressures for development, it is nonetheless a hopeful sign for the world's forests.

Goods and services from the woods provide more money and jobs than chopping down trees. The scenic and recreational benefits of forests earn billions of dollars for both the growing nature tourism industry and local residents. In the United States, the market value of nontimber forest products, such as berries, decorative plants and mushrooms, may exceed that of solid wood harvest.

The market for just one forest product from Southeast Asia, rattan palm stems used to make wicker furniture, is worth \$3 billion a year. In Belize, expert gatherers of forest products can earn between two and ten times as much per hectare as farmers who clear the trees for crops. Without secure control of these resources, however, their potential for sustainable employment will be lost.

Ecological pricing should be the second priority for creating a sustainable forest economy. Virgin timber is priced far below full cost.

For instance, the price of teak does not reflect the costs of flooding that rapacious teak logging has caused in Burma. Nor does the price of old-growth fir from the U.S. Pacific Northwest include losses suffered by the fishing industry because logging destroys salmon habitat.

Few attempts have been made to calculate the full, ecological prices of forest products, but they would undoubtedly be astronomical. One hectare of Malaysian tropical forest is estimated to provide carbon stor-

age services worth more than \$3,000 over the long term. Such services help prevent the world's climate from warming that could have catastrophic results. A mature forest tree in India is worth \$50,000, according to the Center for Science and Environment in New Delhi. The full value of a hamburger produced from cattle that graze on pasture cleared from rain forests may be about \$200.

The greatest value of forests is probably the diversity of life they contain. Forests harbor the wild relatives of dozens of valuable commercial crops. These related strains are the first recourse of scientific breeders in seeking to protect crops against new pests and diseases. Export sales of coffee, cocoa beans and other commodities that trace their origins to forests in the tropics and subtropics exceeded \$20 billion in 1991.

To create a permanent forest economy will require political change. Unless the strong grip of big timber interests—the miners, ranchers and other resource extractors—can be broken, forest conservation will be difficult if not impossible.

In Malaysia, clear-cutting is driven by handouts of logging licenses that are a major form of patronage for politicians. Officials distribute concessions to loyal supporters, who level the trees for quick profit. The bond pervades all the world's major timber economies. From 1985 to 1992 in the U.S. timber states of Washington and



Oregon, the wood products industry outspen environmentalists 6-to-1 in contributions to congressional candidates. As a result, those grateful members of Congress set higher logging targets for national forests in their districts than the Forest Service itself recommended. The ultimate challenge is to make ecological services sufficiently remun-

erative for all groups involved—residents, logging towns and government agencies—so that they act as defenders, not destroyers, of forests.

The writer is a researcher for Worldwatch Institute in Washington and author of "Selling the Forest: What Will It Take?" He contributed this comment to The International Herald Tribune.

Asians, Too, Want Good Environment

By Tommy T. B. Koh

SINGAPORE — There is a link between development, on the one hand, and environment, population and poverty on the other. Some Asian states, such as Indonesia, have shown remarkable progress in economic development and the reduction of population growth. Others, such as Malaysia, have made impressive strides in reducing poverty. Yet major environmental challenges remain.

As China and India industrialize and grow, they will exert tremendous pressure on the earth's carrying capacity unless they avoid the path of progress at any cost and follow a course of sustainable development. In the past, due to institutional and

policy weakness, the needed infrastructure in many Asian countries and cities, such as sewerage and industrial waste disposal systems, failed to keep pace with economic expansion. As a result many Asian cities suffer from serious pollution.

Tokyo and Singapore are exceptions to the rule—models that other Asian cities can emulate. According to studies by the World Health Organization, five of the seven cities with the worst air pollution—Beijing, Calcutta, Jakarta, New Delhi and Shanghai—are in Asia. Two of the cities with the best air quality, Tokyo and Singapore, are also in Asia.

When Singapore began to industrialize in the 1960s, the government legislated and enforced high environmental standards to protect the land, air and water. Contrary to a belief then prevalent in the Third World, the increased costs to industry did not deter investment.

The government also built common treatment facilities to help industries, including facilities to process and dispose of toxic and hazardous wastes. As a result of these policies, three decades of rapid industrialization in Singapore have not despoiled the land, air or water.

Singapore has adopted a radical approach to protecting the quality of its air and preventing the city from strangulation by motor vehicles. The gov-

ernment has invested heavily in public transport. There are an underground mass rapid transit system, an island-wide bus system and many taxis.

Growth of the motor vehicle population is controlled by setting a quota for each month, auctioning that quota by tender, and imposing a tax of about 200 percent on the price of a vehicle plus a heavy road import based on engine size. The government keeps the central business district free of congestion by making drivers of vehicles buy a license to enter the area. It encourages scrapping of old vehicles and provides a tax incentive to use lead-free petrol and discourage leaded petrol.

In another two years, Singapore will introduce an electronic road pricing system. Each vehicle will be fitted with an electronic tag. Drivers will be billed monthly based on usage of the roads. If Singapore succeeds in its experiment, it will have set an example for the world, not just for Asia.

I am confident that in the years ahead, Asia will meet the environmental challenge, not because of external pressures but because Asians are demanding the right to live in a clean and healthy environment as well as the right to development.

The writer, director of the Institute of Policy Studies in Singapore, served as chairman of the main committee at the United Nations Conference on Environment and Development in Rio de Janeiro. He contributed this comment to The International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: They Had A Ball

NEW YORK — The much talked of Bachelor's Ball, at the Hotel Waldorf, was a most important event in society [on Jan. 18]. Excepting at Newport or Lenox, the bachelors of society have not in years given a ball. Their last ball here was at the Hotel Brunswick, on the night of May 7, 1885, and the majority of the hosts have since become bachelors. The ball last night was given by thirty bachelors and Mr. Theodore Frelinghuysen, who is a widower. The ball was called the Knickerbocker Bachelors' Ball.

1919: Ratings Revised

PARIS — M. Victor Borel, the Minister for Agriculture and Food Supplies, has decided to increase the monthly ration of sugar for Parisians by 250 grammes—or approximately, half a pound. M. Borel also considers that the outlook, as regards sugar supplies and the necessity for en-

abling certain demobilized men to resume their former employment, warrants the resumption of the manufacture of certain confections, particularly sweetmeats of a nourishing nature, provided that the confectioners do not employ milk or butter in their factories during the present dearth of those products.

1944: A Liberator Raid

LONDON — [From our New York edition.] An American Liberator raid on the so-called rocket-gun or invasion coast of the Pas de Calais area in France kept the all-out aerial war against Nazi Europe going today [Jan. 31] after the Royal Air Force, for the fourteenth time since Nov. 18, for the third time in four nights, hit Berlin last night in another terrific attack. Telephone communications between Berlin and Stockholm were cut again tonight, possibly indicating another British attack on the German capital. The Liberators encountered no fighter opposition and little flak.

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This Smart Russian Plans While Featherbedders Rule

By William Safire

DAVOS, Switzerland — You couldn't throw a snowball at the World Economic Forum in this ski resort without hitting a rejected Russian reformer.

Early last week, Russia's reformist finance minister, Boris Fyodorov, walked into President Boris Yeltsin's office with a him-or-me ultimatum: Either fire the inflationary central bank chief, Viktor Geraschenko, who was on a ruble-printing binge to prop up inefficient industry, or I quit.

"If Geraschenko makes another mistake, he's out," Yeltsin promised, Mr. Fyodorov tells me. Unsatisfied with this delaying straddle, the

Yavlinsky has positioned himself as a constructive critic of the Yeltsin government today, and dissociated himself from its faltering reforms.

35-year-old economist followed other free-market, abandoned by Mr. Yeltsin and spurned by the voters, over the side. "If you take the blame for what you have not done," he says, "that's just stupid."

That leaves Russia's government in the hands of Mr. Yeltsin's prime minister, Viktor Chernomyrdin, champion of the featherbedding state industrialists. His strategy: Let inflation roar up over 20 percent a month — that's a month — then become a popular hero by imposing price controls.

How can Russians who believe in freedom avoid this? Evidently Mr. Yeltsin wants power: more to preside than to lead; this may prevent dictatorship. But the reformers do not have a leader; the democratic way is to fight it out or make a political deal. Their backstage power broker and campaign manager will be Gennadiy Burbulis, the image-maker who talked the Russian military into letting Mr. Yeltsin speak atop a friendly tank.

Several of the candidates for savior of Russia after the coming hyperinflation and freeze were lined up at a seminar at Davos. A tall Swede sitting in the audience next to me was high on Anatoli Chubais, in charge of privatization, as a political comrade; he is last of the new capitalists running the rapids on the Yeltsin raft as it heads for the falls. (I asked the Swede what he did and it turns out he is prime minister; lotsa bigshots here.)

The Russian who clearly dominated the proceedings with both his passion and presence was Grigori Yavlinsky. Known in the West as the man of the

"500 days" — the serious capitalist reform plan that Mikhail Gorbachev rejected, sealing his doom — the 41-year-old economist heads a bloc of about 8 percent of the seats in the new State Duma.

I collared him for a three-hour, late-night talk in an alpine hotel lobby. No wonder the reformers lost the election, Mr. Yavlinsky says: All that was offered was quasi-reform.

The promised stabilization of the ruble never happened; what little privatization was done was more like collectivization: since 1989, gross national product declined by half; instead of more democracy, the people saw more crime and corruption. And this was supposed to be "reform"?

What seemed to anger Mr. Yavlinsky most was that "payments were never made": Last year, after prices were negotiated to buy goods from farmers and producers, the government double-crossed the sellers. (Mr. Fyodorov glumly confirmed this, blaming overspending by Mr. Chernomyrdin.) No wonder quasi-reform was rejected at the polls.

Mr. Yavlinsky has positioned himself as a constructive critic of the Yeltsin government today, and dissociated himself from its faltering reforms of the past. He volunteered to be prime minister with a new team last week, and thus cannot be blamed for jumping ship as it headed into hyperinflation.

More to the political point, Mr. Yavlinsky has stopped trying to prove to intellectuals that he has brains and has begun talking blimply to people about organizing a "movement" or nascent party. He wants to pull Russia's 89 states into seven manageable regions; he wants to give Russians "another choice besides paralysis"; he is trying to find the "pro-Russian, not anti-Western" language to connect free-market ideas to people's needs.

"I want to create what we do not have — a political biography," said Mr. Yavlinsky, an electrician from L'vov, who makes no secret that his mother's father was a Jew. "Politicians now appear overnight — where from? Where did they stand during the Soviet Union's collapse? I want to have a history people can examine."

So he warns and participates and organizes and waits. "I am very optimistic, but not for this year."

Letters intended for publication should be addressed "Letters to the Editor," and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.



LETTERS TO THE EDITOR

Constructive Differences

Regarding "A Destructive Culture of Critique" (Opinion, Jan. 18):

In arguing that argument, *per se*, is an evil, or at least a non-desired thing, that it causes people to, among other things, not listen to each other, distort facts in support of their opinions, and do extra work sorting out misrepresentations from bona fide assertions — Deborah Tannen rails against the wrong culprit, giving argument a bum rap. For it is not argument, *per se*, that is guilty of these evils, but rather arguing in the wrong spirit.

There are two ways one can argue, which I call "adversarial" (or confrontational, combative, pugnasious, bellicose — choose your word) and "collaborative." In the first, the motivation is to destroy one's opponent; in the second, to learn the truth, through a search conducted in collaboration with one's opponent.

Ms. Tannen has the right idea when she asserts that "modeling intellectual interchange as a fight" is dangerous; but why does the fact that such an interchange is an "argument" necessarily make it a "fight"? Why can it not simply be a game? Both sides win, no matter who wins the argument, by moving closer to the truth.

ROBERT S. SEGELBAUM,
Le Diamant, Martinique.

A Magnet's Attraction

Returning to America after a six-year assignment in Europe has been easier than many had led me to believe. I was warned about culture shock, violence, educational decline, the breakdown of the nation's infrastructure.

But what I found was a society with

the principles, virtues and values that have long made it a magnet drawing the hopeful of the world.

The longer we lived in Europe, the more we came to realize how prescriptive the society was. Just before we left, my son asked if we had to register with the police when we moved back.

The talk now is of partitioning Bosnia, an apartheid solution just when the world desperately needs more brotherhood. Europe is Bosnia, filled with petty distrusts and deep-seated xenophobia.

In contrast, America remains a refreshing montage of plurality, opportunity and creative freedom. An "illegal" Mexican immigrant wins a scholarship to the University of Chicago, an African-American was chairman of the joint chiefs of staff, a Jewish woman is named to the Supreme Court.

America has always benefited from the contributions of its immigrants. I hope that those voices that would have us close our doors are few in number.

NICHOLAS H. SOMMERS,
Chicago.

that was before the jury. We cannot comment on whether the punishment was deserved. But if it was deserved, the amount seems not unreasonable. To a big company today, a \$10 million fine can be a slap on the wrist.

SAM ABRAMS,
London.

Slavery Then and Now

Regarding "Britain Rebuffs Clinton Over Labor Standards" (Business/Finance, Jan. 18):

According to Sir Leon Brittan, trade commissioner of the European Union, "restrictions on child and slave labor are easy to support in theory but difficult to enforce through the world trading regime."

A century and a half ago Europeans and Americans who opposed slave labor were not so pusillanimous.

DENIS MACSHANE,
Divonne, France.

Citrus and Them

Regarding "Don't Get Comfortable Under This Volcano" (Meanwhile, Jan. 27) by David Reid:

Mr. Reid mentioned the names and commentary of many famous people who have wondered about the relationship between mankind and nature in California. He might add to his list a quote from Fred Allen, the 1930s radio and movie comedian, who said: "California is great, if you are an orange."

PHILIP REAVIS,
Paris.

The Chair Blocks Their View Of the Man Who Copes in It

By Ilse Gersten

PARIS — Like many people, I used to feel awkward and confused when, while out for a walk, I came upon someone in a wheelchair. Don't stare, I would tell myself. But don't ignore him, either — that's as bad as staring. Act normal. But how could I act normal with such a debate raging in my head?

Now I know more about what it means for a person to live in a broken body. Howard, my husband, stood 6-foot-3 (1.9 meters) before his accident. He was a physical man who loved outdoor activities.

MEANWHILE

ities. He adored cycling, and taking long, long walks. He had never been seriously ill.

Then one day he fell from a roof, and the world turned suddenly into one of hospitals and pain and loss. "What a tragedy," people said. I heard it over and over. Howard had broken only a couple of vertebrae, but that was all it took. He was permanently paralyzed from his chest down.

Howard spent five more in a rehabilitation center near Paris, where he and other paraplegics and quadriplegics learned how to live with their disabilities. Slowly, Howard and I began to accept the reality of his paralysis.

But back in society, I still experienced that awkward moment when I saw someone coming my way in a wheelchair. The handicapped were still "the handicapped." Howard was a normal person who had simply had an accident.

I hadn't yet understood that the accident had consigned my husband to the fringes of society, that he would never again be looked at casually on the street. He had won instant membership in a little-seen, much-neglected minority.

And so I was enraged when people stared at him as if he were on display, or when they spoke to him through me, as if his mind, and not his body, were damaged and I were his interpreter. Few people seemed to imagine that on this wheelchair sat a perfectly normal man — except for a bruise on his spinal cord.

We had prepared ourselves mentally for the fact that Paris is a difficult city for the wheelchair-bound, but we didn't realize just how difficult. Restaurants, theaters, grocery stores were now off-limits. Broken elevators, steep ramps (designed apparently for artistic and not utilitarian reasons), narrow doorways and unexpected steps became insurmountable obstacles.

Some new buildings, ostensibly built to meet new regulations on accessibility, could not be entered. Who were the experts who designed these ramps, these doorways? We questioned some — they were uncomprehending. They didn't understand what was required for a wheelchair maneuver. Besides, they would

shrug, it was too late to change anything at any realistic cost.

How much better Howard's life would be, I told an American visitor not so long ago, if France followed the example of the United States, where federal law mandates that all public places be accessible to the disabled. He was sympathetic, but said he thought that "they" took it a little too far — demanding complete equality of access everywhere, and hang the cost!

I couldn't help wonder how he would feel if, say, he were suddenly wheelchair-bound in a strange city and had in need of a public toilet. (This can be a serious of urine can back up into the kidneys, requiring prolonged hospitalization.) Please, I want to tell people like this, just make an effort to understand.

Today I no longer have that awkward feeling when I see someone in a wheelchair. Our friends and close acquaintances are very aware of the disabled; they treat my husband like any other man. Still, there are few days when Howard does not suffer the shame and humiliation of not being able to see over a counter, to make a phone call, to board a bus, to take a stroll on a sidewalk, to enter an office, a theater, a restaurant, to find a bathroom.

Children understand. Howard was popular with the young people in our neighborhood before we became acquainted with the adults. He fixes their bicycles, plays Frisbee with them; and now they talk eye-to-eye. To young boys, his chair is a wonderful accomplishment of technology.

At first they ask, quite sweetly, "What's wrong with your legs?" His legs, Howard tells them, are perfectly fine. It's his back that is broken, keeping him from moving his legs. They seem to comprehend: Howard had an accident; now his legs don't move, and he rolls around on a chair. That's all.

The writer is a Paris-based journalist. She contributed this comment to the International Herald Tribune.

Snow Happens

FOR YEARS, residents of many Ohio cities have assumed an obligation to shovel their sidewalks within 24 hours of a snowfall. Should they not do so, and a passerby fall and be injured, a lawsuit was sure to follow.

Not any more. The state's highest court has ruled that since everyone knows that snow makes the ground slippery, homeowners aren't liable for injuries suffered because of snow or ice-covered sidewalks.

In a society mad with litigation fever, the decision is a victory. Risk-taking is part of life. An element of risk has to be accepted. And in Ohio, snow happens.

— Toledo Blade.

GENERAL NEWS

Somalia: The Battle That Changed U.S. Policy

By Rick Atkinson

Washington Post Service

MOGADISHU, Somalia — In the shattered neighborhood of south Mogadishu that the Somalis call "Bosnia," militia Colonel Ali Aden had finished his Sunday lunch on Oct. 3 and was lounging with his platoon when an urgent order came over the radio.

U.S. soldiers had swept into a building near the Olympic Hotel and were about to take away 24 Somali prisoners, including two lieutenants of the Mohammed Farrah Aidid, Colonel Aden, 41, a former officer in the Somali army, was to muster his militia immediately.

to reinforce the western sector," he was told by his superior, Colonel Sharif Hassan Ginnale, who had moved to a covert headquarters several hundred meters from the hotel. "Don't let reinforcements reach the enemy pocket."

Colonel Aden ordered his men to grab their weapons. He instructed two junior officers to remain in the compound near Digfir Hospital to organize ambushes along likely re-entrant routes from the U.S. forces at the airport and university. Then he and 40 others jammed into two vans and headed for the faint sound of gunfire a little over a mile to the east.

For the next 15 hours, throughout the night of Oct. 3-4, Somalis and Americans would slug it out in a fierce battle that ultimately turned the tide of the United Nations' intervention in Somalia.

The first installment of this two-part series recounted the deployment of Task Force Ranger, including Delta Force commandos, in an effort to capture General Aidid and other leaders of his militia. This account, drawn from interviews with dozens of Somali and U.S. military sources, details the bloody consequences of what proved to be a daylight raid in central Mogadishu that would leave hundreds dead and lead to President Clinton's decision to withdraw all U.S. forces from the Horn of Africa by March 31.

In addition to the militia, scores of other Somalis sprinted through the streets in a confused melee. Everyone in south Mogadishu who

could put his hands on a weapon seemed to press toward the battle. A rocket-propelled grenade had already claimed two American lives. At 4:20 P.M., 40 minutes after the assault began, a round had fatally crippled the Black Hawk helicopter known as Super 6-1, which had been orbiting overhead. It crashed into an alley off Freedom Road about 300 meters east of the building that Task Force Ranger had assaulted.

The loss of a helicopter had not been anticipated by Major Gen-

eral William F. Garrison, commander of the Task Force. Ten days earlier, Delta commandos had rehearsed a scenario in which a Black Hawk was downed. The helicopter used in that exercise was the same Super 6-1 that now lay in a heap with the pilots dead and five soldiers — three Delta snipers and two crew chiefs — injured.

In a fusillade of Somali gunfire, an MH-6 Little Bird swooped in the next to the wreckage. One of the pilots dashed into the alley and helped two Delta snipers, one of them mortally wounded, into the back of the helicopter. Two Ranger leaders, Lieutenant Tom D'Amico and Lieutenant Larry Perino, hurried east with their troops, trading fire with Somali gunmen also racing to the crash on parallel streets.

For the 90 or so U.S. soldiers consolidating near the downed helicopter, Freedom Road and the adjoining alley had become a killing zone. Within an hour, 10 of the 13 men with Lieutenant Perino would be wounded. Delta and the search-and-rescue team suffered comparable casualties. So many Somalis moved through the neighborhood ignored those with rifles to concentrate on the more lethal rocket-propelled grenade gunners.

Alarmed Warriors lay in the back of a five-ton truck, listening in terror to the battle raging around him. He and the other Somali prisoners were captured on Hiwasag Street were packed into the truck bed. Plastic cuffs cut into Warriors' wrists, leaving scars that would be visible two months later.

Task Force Ranger had intended to take the prisoners by convoy directly to the airport. Instead, the Ranger battalion commander, Lieutenant Colonel Danny McKnight, was ordered to reinforce the crash site.

Gunfire raked the convoy at every intersection. Somalis sprinted across the street, spraying bullets. A rocket-propelled grenade detonated against the cab of a truck in front of Warriors, decapitating the American driver.

Three of the prisoners would be killed before the ordeal ended, as well as four U.S. soldiers.

The convoy lurched past the Olympic Hotel where it had started. General Garrison, concerned for the wounded and fearful that the mission would fail if the prisoners were not extracted, ordered Colonel McKnight's group back to the airfield.

Less than a kilometer south of the Olympic Hotel, Mohammed Warsame, 65 — no relation to the prisoner in the truck — sat beneath the awning in front of his shack, listening to the distant roar of battle and waiting for his dinner.

Mr. Warsame heard a strange throbbing, a labored engine noise coming from the east. With a trembling din, a Black Hawk helicopter slammed into the ground, less than 15 meters from where he was sitting. The helicopter, Super 6-4, had been hit in the tail by a rocket-propelled grenade while orbiting almost directly over the wreckage of the first Black Hawk.

The destruction at 4:40 P.M. of the second Black Hawk, Super 6-4, complicated planning for General Garrison. Task Force Ranger had barely enough troops to defend one site, covering two to impossible sites, covering two to impossible sites, covering two to impossible sites.

The aviation commander, Lieutenant Colonel Thomas C. Matthews, rejected two requests to allow the co-pilots of his four MH-6 Little Birds to leave their cockpits and defend the second crash site. The Delta squadron commander also twice rejected a similar request — to deliver two Delta snipers to the second crash site by Black Hawk — then agreed to a third after learning the Quick Reaction Force had been ambushed.

Super 6-2, piloted by Chief Warrant Officer Michael A. Goffens, found a clearing about 90 meters southwest of the second crash site. He touched down long enough for the Delta snipers, Sergeant 1st Class Randall D. Stugart and Master Sergeant Gary L. Gordon, to leap from the Black Hawk bay.

Ten minutes later, a rocket-propelled grenade smashed into the right side of Officer Goffens's helicopter, knocking his co-pilot unconscious and shearing away the leg of a third Delta sniper manning the door gun. Officer Goffens kept the helicopter airborne long enough to make a crash landing at the New Port.

With their overhead protection gone, Sergeant Gordon and Sergeant Stugart found themselves desperately outnumbered by Somali gunmen swarming toward the bulk of Super 6-4. The pilot had vanished from the cockpit shortly after the crash. He was never seen

alive again. The Delta pair managed to extract the badly injured co-pilot, Chief Warrant Officer Michael Durant, and lay him on the right side of the wreckage.

What happened next is uncertain. The shooting intensified as the Somalis pressed to within 10 meters of the helicopter. Officer Durant heard Sergeant Stugart cry out from the other side of the helicopter: "Tn hit!" Sergeant Gordon reappeared, handed Officer Durant a rifle with a full ammunition clip and made a quick radio call for help before returning to defend the exposed left side.

After a brief lull, a volley of gunfire swept the clearing. Officer Durant heard Sergeant Gordon cry in pain, then silence. Out of ammunition, the co-pilot laid his M-16 across his chest and waited for the mob that soon engulfed him.

For conspicuous gallantry in offsetting their lives to defend their comrades, Sergeant Stugart and Sergeant Gordon would be nominated for the Medal of Honor. Officer Durant would survive 11 days in captivity to bear witness to their valor.

The battle would wax and wane until well past dawn. In his office at the UN compound, Major General Thomas M. Montgomery, commander of conventional U.S. forces in Somalia, ordered the Quick Reaction Force from the 10th Mountain Division to regroup for another rescue attempt.

At General Garrison's urgent request for "some tanks and some APCs," or armored personnel carriers, General Montgomery called the Pakistani and Malaysian commanders, asking to borrow their armor. He also called the Italian commander and asked him to dispatch several dozen tanks to Mogadishu from their base at Balad, 30 miles away.

The Italians complied, but their tanks would not be needed. The

Quick Reaction Force mustered at the New Port with four Pakistani units and 28 Malaysian armored personnel carriers. At 11:15 P.M., a convoy of 70 vehicles headed north from the port, only to be ambushed repeatedly after swinging left onto National Street.

Plagued by confusion and a language barrier, the lead two Malaysian armored vehicles carrying a U.S. squad turned south instead of north. They were destroyed by rocket-propelled grenades fired near the old presidential palace, killing a Malaysian driver and wounding several others. The U.S. lieutenant in charge blew a hole in a wall surrounding an adjacent cluster of houses, then herded his men into the shelter of a courtyard.

Farther north, a Quick Reaction Force unit, Alpha Company of the 14th Infantry's 2d Battalion, battled through barricades and ambushes to reach Task Force Ranger at 1:55 A.M. They remained there until dawn, when a Humvee with a tow rope succeeded in prying apart the wreckage of Super 6-1, enough to extract the body of the pilot, Chief Warrant Officer Clifton P. Wolcott.

Meanwhile, Charlie Company of the 14th Infantry's 2d Battalion pushed south from National Street to search the wreckage of the other downed Black Hawk. Only a few blood trails suggested the fate of those who had fought to the death around Super 6-4.

By 7 A.M., after an exhausting retreat, all survivors had reached safety. The final tally would include 18 Americans and one Malaysian killed, plus 84 Americans and 7 Malaysians wounded. Somali leaders put their losses at 312 killed and 814 wounded.

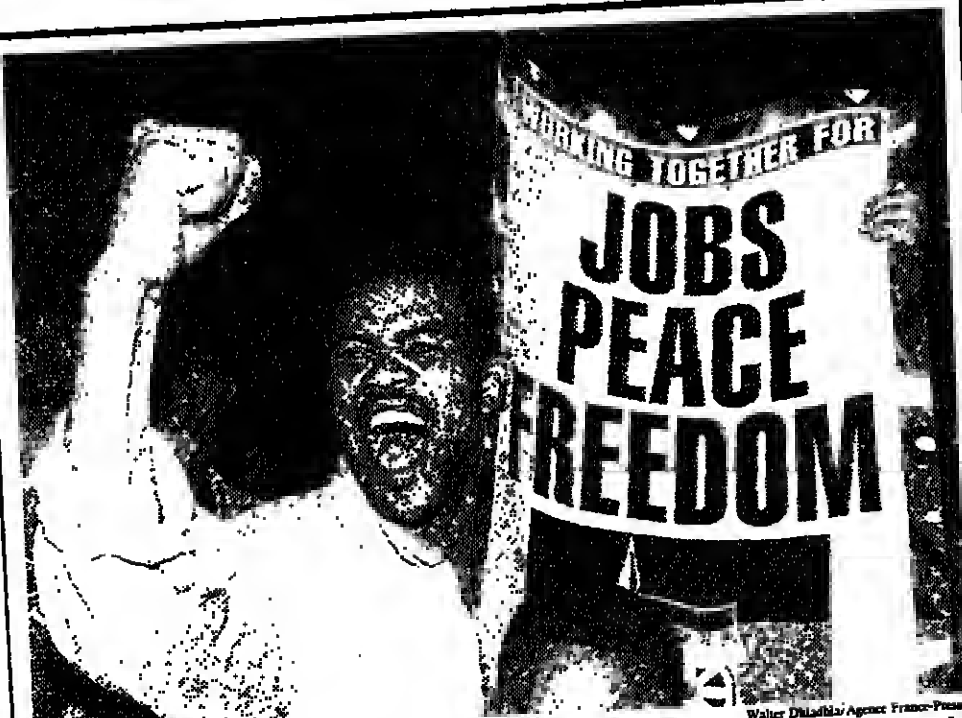
The final act was played out Jan. 18 when the last eight Somali prisoners in UN custody were released in Mogadishu.

The movie would become a triple Academy Award winner in 1997.

The movie won an Oscar for best film, while David Lean was named best director and Alec Guinness was best actor.

In "Planet of the Apes" directed by Franklin Schaffner in 1968 and starring Charlton Heston, astronauts caught in a time warp find themselves back on Earth in the future when human beings have become beasts under the command of apes.

Mr. Boule's last published work in French dates from 1990 and is titled "Ilion."



CAMPAIGN SPIRIT — A mixed-race supporter shouting slogans as Nelson Mandela sought votes for the ANC in the west Transvaal township of Promosia. In Ikegong, a black township, he appealed to followers to reason with enemies instead of killing them. The elections are April 27.

Somalis Die Attacking Envoys

Reuters

MOGADISHU, Somalia — Three Somalis were killed and at least 13 wounded Monday when U.S. Marines battled gunmen who ambushed a convoy of American diplomatic cars in Mogadishu, witnesses and hospital officials said.

Supporters of the Mogadishu clan leader Mohammed Farrah Aidid said that as many as eight Somalis were killed in the clash, which lasted a few minutes.

There was no independent confirmation.

It was the first serious clash between U.S. troops and Somali gunmen since General Aidid's militia declared a unilateral cease-fire in

October with the 25,000-member United Nations force policing the country.

Gunmen ambushed two U.S. diplomatic cars escorted by 22 Marines in two Humvee military vehicles as the convoy drove from the embassy to the UN-controlled airport.

The U.S. liaison office in Mogadishu said that the convoy was taking two American diplomats to a meeting with officials of General Aidid's Somali National Alliance.

"Ironically, the convoy was taking two U.S. diplomats to meet with SNA representatives to complain about increasing violence," it announced.

It said the convoy was fired upon

three times as it approached a traffic circle.

There were no U.S. casualties, and the Marines believe they hit two of the gunmen firing at them, the statement said.

A photographer counted three dead Somalis in the street. A news agency driver said that he saw a number of bystanders cut down by bullets.

Officials in two hospitals confirmed that 13 people were brought in with gunshot wounds.

"We have admitted six people with gunshot wounds," a doctor at one of the hospitals said.

Nurses at another hospital said seven people had been admitted there.

Vergeen P. Leenor, 67, one of Russia's best-known movie and theater actors, died Saturday in Moscow. The cause of death was not immediately known. His career covered dozens of movies and stage productions.

Nick Cravat, Burt Lancaster's acrobatic sidekick in his circus days and in 1950s movies, died of lung cancer Saturday in Woodland Hills near Los Angeles. They teamed up to perform stunts in two films, "The Flame and the Arrow" in 1950 and "The Crimson Pirate" in 1952.

Pierre Boule Dies, Wrote 'Bridge on the River Kwai'

Reuters

PARIS — Pierre Boule, 81, the French writer whose novels inspired the movies "Bridge on the River Kwai" and "Planet of the Apes," died in Paris after a long illness.

Born in Avignon in 1912, Mr. Boule trained as an engineer and went to work in the 1930s on Malaysian rubber plantations before signing up for the military after the outbreak of World War II.

He was awarded several medals for bravery.

"Bridge on the River Kwai," one of his earliest works, was turned

into a movie and became a triple Academy Award winner in 1957.

The movie won an Oscar for best film, while David Lean was named best director and Alec Guinness was best actor.

In "Planet of the Apes" directed by Franklin Schaffner in 1968 and starring Charlton Heston, astronauts caught in a time warp find themselves back on Earth in the future when human beings have become beasts under the command of apes.

Mr. Boule's last published work in French dates from 1990 and is titled "Ilion."

Alexander Adamovich, 66, Belarusian Author-Activist

New York Times Service

Alexander M. Adamovich, 66, a Belarusian author and advocate of political democracy, died of a heart attack Wednesday in Moscow, Interfax reported. He had been active at the heart of cultural and political life in Moscow since the late 1980s.

He gained renown in the Soviet Union for his stirring prose about the struggles of the partisans against the German Army in Belarus during World War II.

Count Rossi De Montelera, Headed Martini e Rossi

TURIN — Count Napoleone Rossi Di Montelera, who helped make the family Martini e Rossi drinks company famous around the world, died of natural causes at 92.

The count helped expand a sparkling wine and vermouth company founded by his grandfather in 1863, investing heavily with his three cousins after World War II.

He held the posts of managing director and president of the company and until recently remained a frequent visitor to its offices in Turin, despite having officially retired.

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Style

Male Bohemians in Velvet Up-and-Coming Designers Steal Show

By Suzy Menkes
International Herald Tribune

PARIS — It was poetry in motion. Down the menswear runway came plush velvet jackets, soulful corduroy suits, shaggy sweaters, shirts cut like artists' smocks and floppy cravats, all of them — clothes redolent of dead poets given fresh life for the fall season.

"For poets with a few cents," said Paul Smith, to encapsulate the Bohemian mix of tweed and tartan, the pepper-and-salt flecked sweaters, the short velvet coat and elongated jackets of his new collection.

"Poetry and suffering, inspired by Proust," said Gilles Rostier, whose models in the GR 816 collection had a languid turn-of-the-century decadence with their painted eyebrows and insolent mixes of hairy tweed and tactile velvet.

The new man for the 1990s is a soft touch. The unifying theme of the menswear season was soft surfaces: the deep-pile luxury of a cranberry chenille vest at Hermès and Claude Montana's alpaca jacket, or fluffy sweaters from the Belgian designers Dries Van Noten and Dirk Bikkembergs.

What about the suit? The three- or four-button jacket has become a new classic. But even houses known for tailoring have smashed up the suit, with Lanvin showing subtle mismatches of checked jackets and striped pants and Balmain's Bernard Szekely bringing vibrant colors and soft textures to his confident show Monday.

Even the master-tailor Nino Cerretti presented jackets as soft as a cardigan or as light as a shirt, with suits mixing flecks and checks.

Knitwear was big in every sense. There were cuddly comfort-blanket sweaters slopping from neck to knees from all the strong designers: bumpy purple mohair against liquid saffron pants from Bikkembergs; Jean-Paul Gaultier's ethnic sweaters studded with buttons; Issey Miyake's feathery finish.

The jacket is often a cardigan, with Rykiel Homme showing easy styles (or knits with matching waders) and Kenzo producing magic carpet jackets to match the tribal rugs on his runway. The lush look

included teddy-bear-fur sweaters from Smith, and mohair everywhere.

But the revival of corduroy was the biggest story. Was there a single collection without its furrowed fabric? Givenchy made corduroy gentlemanly for a sturdy navy blue Norfolk jacket with a full belt. Gaultier made corduroy hip by showing jacket, vest, pants and kilt. His powerful collection mixed countries and cultures, with a focus

PARIS MENSWEAR

on Russia and Tibet, which enabled Gaultier to dress up his fine tailoring as a regular jacket beaped with ethnic accessories or as an alpaca kimono coat slung like a priest's robe across the body.

Kenzo — like most designers — sent out corduroy as a staple suit, but also as denim-style workwear: blue-corduroy clad workmen, each carrying his tools of the trade. Using "real" people is the current fashion cliché, so Yoshi Yamamoto had a motley group to emphasize the weirdness of his circus theme (wide clown pants hanging from suspenders and long boxy jackets). Yet he also sent out an impeccable cream corduroy coat.

The only rival to corduroy was velvet: Dominique Morlot's elongated dandy jacket with tapestry of fancy flowers; or Massimiliano's velvet printed like tweed.

There was also a revival of speckled, hairy bowl-of-muesli tweeds, which emphasizes the switch away from the flat fabrics of the 1980s.

The shows were not all poetic. At Comme des Garçons, the tweeds looked as lumpy as a bowl of porridge. They were worn two sizes too small by shabby models, who turned out to be a troupe of acrobats. Their antics could not conceal the fact that designer Rei Kawakubo's apron dresses, kilts and boiled wool jackets were nothing new.

By contrast, Smith's regular clothes, touched with color and fantasy, but never looking weird or unwearable, were a service to fashion — the citation Smith received when he was made a Commander of the British Empire by Queen Elizabeth in the New Year.

Running counter to the aesthetic velvets and dapper tweeds is a tougher tribal feeling, expressed at its most elevated in elegant blanket stripes at Claude Montana and Hermès, or in Gaultier's kilts with their plaids vibrantly recolored.

Men's fashion also seems to hark back to the Middle Ages — and not just because Nikes showed bits of armor with his body-sculpted underpants and had his models jousting. Armor was the inspiration for sweater patterns at Miyake, where

themes of destruction included denim treated to look as though it had been scorched by a fire.

The dull silver of a suit of armor

also gleamed through the season, with Rykiel showing a silver velvet jacket and gray flannel an important fabric in many collections — like Comme des Garçons' perfectly plain long shirt coat. The color focus was also on brown, which has become a substitute for black, and bordeaux.

Although the most inventive collection was from Gaultier, the men's fashion season proved that the force is mostly with the up-and-coming generation. For all the

exclusive tailoring, the rich color palette and impossible details at Montana, his macho image seemed all too familiar. Thierry Mugler also stuck to his firm silhouette, enlivened with plaid (a strong trend) and by using quilted fake-leather trims. At Hermès, Veronique Nicholson just tinkered with color and texture as takes on modern luxury.

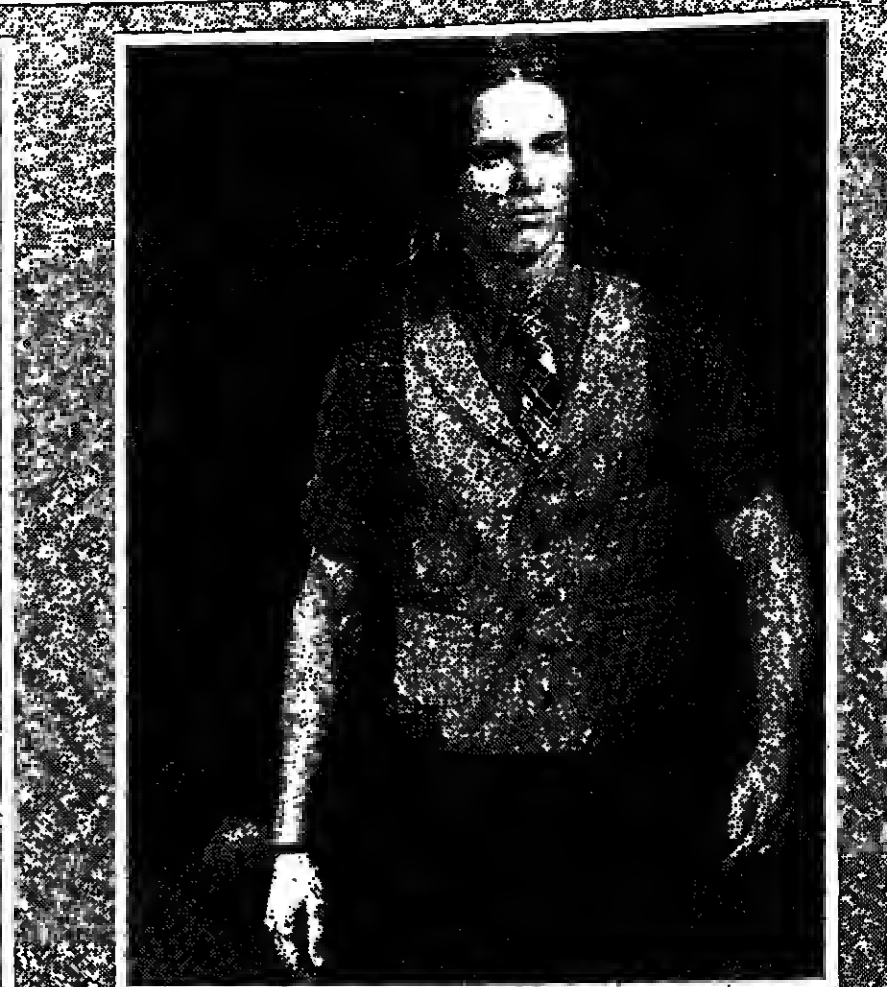
Dries Van Noten gave a simple presentation, with waiters serving beer and mussels (to reflect the designer's Belgian background). The show had all the right modern touches of romance in the soft fabrics and cravats, and a new young silhouette, with flared cuffed pants slung low on the hips.

BIKKEMBERGS (who lured the fashion crowd into an underground car park) had soft pajama pants, piped at the hem, and well-cut jackets with triangular seaming at back. He also had fine knitwear, including red stitches on cream. Sudden shafts of color is a trend, with Van Noten offering a flash of pink (a new hot color) and SO's Dutch designer Alexander von Slobbe sending out peacock blue leather suits in a show that was mostly played out in subtle colors and textures.

Jose Levy — a young French designer — used bright blue for his Tin-Tin silhouette of short pants (found in satin) with short jacket. The younger generation seems to be moving away from the casual sportswear to tidier tailoring. John Rocha, showing at the SEHM (Salon International de l'Habillement Masculin) exhibition, blurred the line between long jackets and brief coats.

The power of the French fashion season is its international flavor. Claude Miserey, SEHM's president, said Sunday that for the first time foreign exhibitors, at 55 percent, had overtaken the French.

The 1,107 exhibitors from 90 countries include the first manufacturer from outside France. That, as much as changes in men's fashion, may be the shape of things to come.



Clockwise from top left: Jean-Paul Gaultier's tailored coat with Tibetan theme; Paul Smith's pattern and plaid; Dirk Bikkembergs sloppy cream sweater patterned in red; Gilles Rostier's Proustian speckled tweed suit; Dries Van Noten's neo-romantic vest and cravat.

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SEPARATION

By Dan Franck. Translated from French by Jon Rothchild. 227 pages. \$19. Alfred A. Knopf.

Reviewed by Michiko Kakutani

DAN FRANCK'S novel "Separation" was first published in France in 1991 to enormous critical and popular acclaim, winning the prestigious Prix Renaudot and selling 350,000 copies, a record that can be compared with that of Mar-

guerite Duras's huge 1985 best-seller, "The Lover."

Readers of both books will notice immediate similarities, most notably a solemn, willfully controlled approach to emotionally volatile subject matter, and a measured, reductive style that attempts to turn the specific into the generic.

Both books, in short, present themselves as an anomalous combination of the French nouveau roman and the supermarket romance.

Whereas Duras recounted the exotic story of a sexual liaison be-

tween a 15-year-old girl and a wealthy older man in French Indochina, Franck tells a decidedly more bourgeois tale.

"Separation" concerns the marital difficulties of a writer and his wife, and takes place in the comfy upper-middle-class environs of Paris and the south of France. Its characters feel like clichés.

"They sent money to the Kurds and to the restaurateurs who donated food to the homeless," writes Franck, "gave 10 franc coins to the panhandlers on the rue Mouffette, and imbued the children,

whom they called 'the boys,' with a multicultural education."

"She went to sales at Sonia Rykiel; he owned a pair of Westons. They traveled by air, took taxis, went to openings, and never drank less (and rarely more) than *appellations contrôlées*. They planned their July vacations in February and no longer bought Moroccan sausage sandwiches at demonstrations."

Though such descriptions help delineate Franck's fictional territory, his characters never emerge as anything but blurry representatives of this milieu. They are referred to

only as "he" and "she." Their assorted friends are simply denoted by letters — C, G, R, S, etc. Most of

those people, we're told, were radicals during the student uprisings of the '60s; in later years, they have come to regard themselves as yuppies with a conscience.

Though we're told that the hero is a writer, we know little about the books and screenplays he has written; we know even less about what his wife does for a living. His background is sketchy: his parents were divorced when he was 10; he still looks to his father for approval. Her background is virtually never mentioned.

No doubt Franck has adopted this sketchy, minimalist approach in an effort to lend his story a kind of universal resonance: his hero is constantly drawing comparisons between his marital woes and the woes of others, between his travails as a cuckolded husband and the plight of men in general.

Unfortunately, the lack of detail in "Separation" makes for a vague, disembodied narrative and characters who feel more like illustrations in a psychology textbook than flesh-and-blood human beings.

The plot, such as it is, concerns the unraveling of the marriage of Franck's man and woman. The man notices that his wife is acting distant; distracted, preoccupied, cool. At first she insists that nothing is wrong; later, she reveals she has fallen in love with another man. The husband is alternately angry and sad, vengeful and forgiving, hostile and tender.

Sometimes he pretends to be sympathetic, hoping his wife will confide in him and appreciate his steadfastness and reliability. Sometimes he gives her ultimatums, hoping she will be frightened by the prospect of divorce. Sometimes he acts cold and dismissive, hoping his chilliness will drive her back to his arms.

Though some of Franck's descriptions of the couple's slow dance toward divorce are genuinely moving, his narrative bogs down in increasingly strained and sentimental images.

The book's other problems — its trite use of language and its reliance on dull, meaningless abstractions — have no such easy solution.

Michiko Kakutani is on the staff of *The New York Times*.

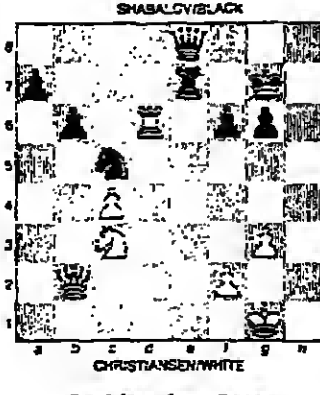
CHESS

By Robert Byrne

ALEXANDER SHABALOV met Larry Christiansen in Round 9 of the 1993 United States Championship. What began as an English Opening turned into an old variation of the Queen's Indian Defense after 5 d4 c6 d6 e6. Black does not have to worry about being cramped by 7 d5 because 7...Bb4 puts pressure on the white center.

The situation was altered by 7...a3, which renews the positional threat of d5 forcing 7...d5. After 8 c3 Nd5, there are ways in exploit the weakening of the a4-e8 diagonal, yet none seems to work. Thus, 9 Ne5 can be met by 9...Nc3 10 d6 a6, and if 11 Qa4, then 11...Nd7 12 c4 Bd6 13 Bf4 Bc5 14 Be5 O-O 15 Bb6 Re8 leaves White behind and Black with attacking chances.

Christiansen chose 9 Bb5, but after 9...Bc6, backed away with 10 Bd3 and Shabalov sensibly reduced White's attacking chances by exchanging a set of minor pieces with 10...Nc3 11 bc.



After 16...Bc7, a classical situation arose: the white d4 pawn gave Christiansen an advantage in space in the center and the possibility of a mating attack. Shabalov's hope for advantage lay in the endgame where he could attack the pawn couple at c3 and d4. Christiansen

sacrificed a pawn with 17 Re1 Bc3 to get an attack going with 18 Ng5, which threatened 19 Nh7! Kx7 20 Qh5 Kf7 21 Qh6 Kf8 22 Bg6! with decisive threat to follow.

Shabalov's knight returned in time with 18...Nf6. He had analyzed 19 Bb5 Re7 20 Be5 as harmless after 20...a6 21 Bd3 Rf7 22 Ne4 Bc7.

Christiansen's 19 b4 gave Shabalov time to exchange off an attacker with 19...Bb6 20 Bb6 Qd6. The black queen could now play a role in the defense of the king.

The advance 27 d5 was a last ditch effort for Christiansen to stir up complications, but Shabalov had no need to fear. His 27...Re5 Ne5 29 d6 Qf8 (27...Qd8 does not stop 30 d7!) 30 d7 Rcd8 31 de/Q Re8 left him a pawn up.

On 32...Kh8, Christiansen could not recoup his material with 33 Qa7 since after 33...Nc5 34 Kf7 Re7 35 Qb6 Ne4, White loses a piece.

Christiansen's 37 Rd6? was surely a time-pressure blunder. He must have overlooked that after 37...Re1 38 Kf2 Qh8! there was no defense to 39...Qh1 mate. Thus, 39 g4 Qb1 40 Kf3 41 Qf3 Qb4 42 Kf2 Qf4 46 Ke2 ends in 46...Qf2 mate. Also 39 Kf3 Qh1 40 Kf4 Re4 41 Ne4 leads to 41...Qe4 mate. Christiansen gave up.

WHITE'S INDIAN DEFENSE

White	Black	White	Black
1 Nf3	c5	21 Bb6	Qd6
2 Nc3	e5	22 Bc7	Re5
3 Bf4	d5	23 Bc6	Qf8
4 e3	c4	24 Bc5	Qh8
5 d4	c3	25 Bc4	Qf8
6 Bg5	b5	26 Bc3	Qd6
7 Bb3	a6	27 Bb2	Qe7
8 Bc2	a5	28 Bb1	Qd6
9 Bb1	a4	29 Bb2	Qd6
10 Bc2	a3	30 Bb1	Qd6
11 Bb3	a2	31 Bb2	Qd6
12 Bc2	a1	32 Bb1	Qd6
13 Bb3	a1	33 Bb2	Qd6
14 Bc2	a1	34 Bb1	Qd6
15 Bb3	a1	35 Bb2	Qd6
16 Bc2	a1	36 Bb1	Qd6
17 Bb3	a1	37 Bb2	Qd6
18 Bc2	a1	38 Bb1	Qd6
19 Bb3	a1	39 Bb2	Qd6
20 Bc2	a1	40 Bb1	Qd6

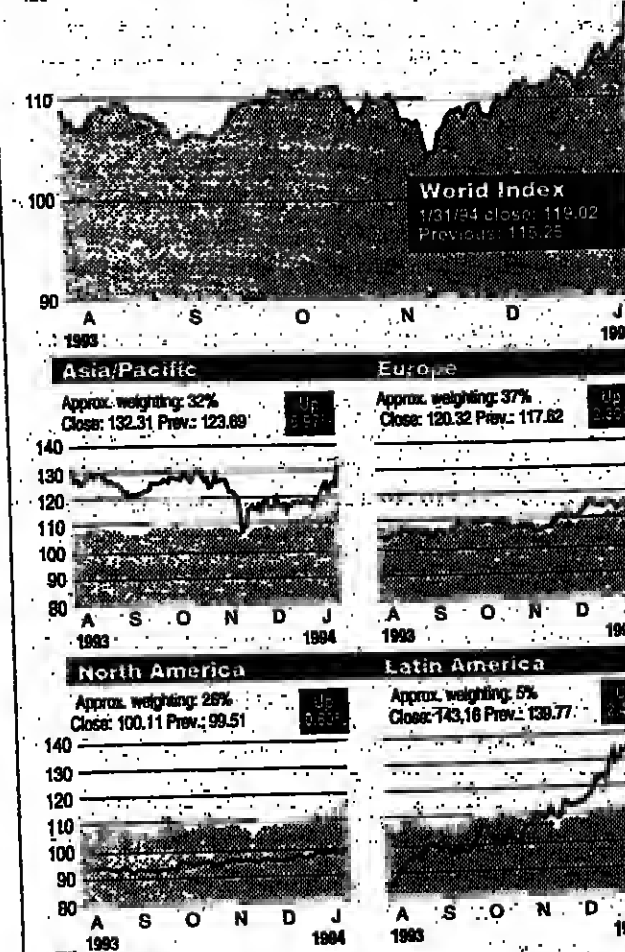
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Bahamas 00-00000	Denmark 00-00000	Dominican Republic 00-00000	Egypt 00-00000	France 00-00000	Germany 00-00000	Greece 00-00000	Hong Kong 00-00000
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Bolivia 00-00000	Greece 00-00000	Hong Kong 00-00000	India 00-00000	Indonesia 00-00000	Italy 00-00000	Japan 00-00000	South Africa 00-00000
Brazil 00-00000	Hong Kong 00-00000	India 00-00000	Indonesia 00-00000	Italy 00-00000	Japan 00-00000	South Africa 00-00000	South Korea 00-00000
Canada 00-00000	India 00-00000	Indonesia 00-00000	Italy 00-00000	Japan 00-00000	South Africa 00-00000	South Korea 00-00000	Taiwan 00-00000
Costa Rica 00-00000	Indonesia 00-00000	Italy 00-00000	Japan 00-00000	South Africa 00-00000	South Korea 00-00000	Taiwan 00-00000	Thailand 00-00000
Cuba 00-00000	Italy 00-00000	Japan 00-00000	South Africa 00-00000	South Korea 00-00000	Taiwan 00-00000	Thailand 00-00000	Turkey 00-00000
Czech Republic 00-00000	Japan 00-00000	South Africa 00-00000	South Korea 00-00000	Taiwan 00-00000	Thailand 00-00000	Turkey 00-00000	U.S. Virgin Islands 00-00000
Dominican Republic 00-00000	South Africa 00-00000	South Korea 00-00000	Taiwan 00-00000	Thailand 00-00000	Turkey 00-00000	U.S. Virgin Islands 00-00000	Uruguay 00-00000
Egypt 00-00000	South Korea 00-00000	Taiwan 00-00000	Thailand 00-00000	Turkey 00-00000	U.S. Virgin Islands 00-00000	Uruguay 00-00000	Venezuela-English 00-00000
France 00-00000	Taiwan 00-00000	Thailand 00-00000	Turkey 00-00000	U.S. Virgin Islands 00-00000	Uruguay 00-00000	Venezuela-English 00-00000	Venezuela-Spanish 00-00000
Germany 00-00000	Thailand 00-00000	Turkey 00-00000	U.S. Virgin Islands 00-00000	Uruguay 00-00000	Venezuela-English 00-00000	Venezuela-Spanish 00-00000	
Greece 00-00000	Turkey 00-00000	U.S. Virgin Islands 00-00000	Uruguay 00-00000	Venezuela-English 00-00000	Venezuela-Spanish 00-00000		
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India 00-00000	Uruguay 00-00000	Venezuela-English 00-00000	Venezuela-Spanish 00-00000				
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Japan 00-00000							
South Africa 00-00000							
South Korea 00-00000							
Taiwan 00-00000							
Thailand 00-00000							
Turkey 00-00000							
U.S. Virgin Islands 00-00000							
Uruguay 00-00000							
Venezuela-English 00-00000							
Venezuela-Spanish 00-00000							

THE TRIB INDEX: 119.02

International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major markets. It is composed of the 20 top issues in each of the 25 countries.

Industry	Close	Prev.	% Change
Energy	116.25	114.27	+1.73
Utilities	127.24	122.97	+4.27
Finance	124.25	118.26	+5.99
Services	128.47	124.57	+3.90
Capital Goods	116.45	113.81	+2.32
Consumer Goods	124.70	121.47	+2.66
Healthcare	103.85	101.40	+2.22
Technology	141.55	138.95	+1.89

India Aims For Credit Upgrade

It Says Reform Is 'Irreversible'

By Kevin Murphy

International Herald Tribune

BOMBAY — Urging international credit-rating agencies to acknowledge a "remarkable" economic turnaround, the head of the Reserve Bank of India called Monday for a reassessment of his country's sovereign risk.

"Our reform program is on course; we can't go back," the central bank governor, said Chakrabarty Rangarajan. "With the remarkable turnaround in our balance of payments and the stability of the rupee, our credit rating should be re-examined."

"There is no justification for the continuation of a rating one notch below investment grade first assessed in February 1991," Mr. Rangarajan said, noting the study was made before the current, reformist government came to power in June of that year.

In New York, the major credit agencies defended their ratings of India, pointing out they were the same as Mexico's, another country in the throes of reform. Moody's Investors Service rates both countries Baa2, which is two levels below investment grade, and Standard & Poor's Corp. Baa-plus, which is one level below.

Vincent Truglia, Moody's senior analyst for India, noted that India had a high debt-to-exports ratio of 2.5, and "remains vulnerable financially."

"Although the reform process is definitely moving in the right direction, it is clear that within political institutions this process is still controversial," Mr. Truglia said. He added that the vulnerability of the reform process to a change in leadership was amply demonstrated by the fears that it would be derailed when Finance Minister Manmohan Singh recently threatened to resign.

Guido Cipriani, S&P's analyst for India, said that while external pressures had eased and he would expect the central bank to stress this, India

See INDIA, Page 11

Governments in the Dock

European CEOs Bemoan Leadership Void

By Alan Friedman and Jonathan Gage

International Herald Tribune

DAVOS, Switzerland — Top executives of major multinational corporations accused European governments and central banks Monday of a failure of leadership that threatens to prolong recession and lead to social unrest.

Carlo De Benedetti, chairman of Olivetti SpA, the Italian office automation group, warned that "the social consequences of the recession need political leadership, and there is a lack of political leadership in any country in Europe."

He spoke during a roundtable discussion of corporate strategies to beat recession sponsored here by the International Herald Tribune and the World Economic Forum.

Mr. De Benedetti, in remarks that won vigorous approval from Allan D. Gilmore, vice chairman of Ford Motor Co., singled out Bundesbank policy for criticism, accusing the German central bank of being wedded to "a religious position on interest rates" that was stifling European industry.

The other roundtable participants were Percy Barnevik, president and chief executive of ABB Asea Brown Boveri Ltd., the Swiss-based electrical engineering company; Minoru Murofushi, president and chief executive of Hitachi Corp., the Japanese trading company; Romano Prodi, chairman of IRI, the Italian steel-to-airlines state conglomerate, and Horst

See DAVOS, Page 9

Fiat Sees Loss Of \$1 Billion As '93 Sales Fall

Compiled by Our Staff From Dispatches

TURIN — Fiat SpA, Italy's largest private company, said Monday it expected to post a 1.8 trillion lire (\$1.65 billion) loss for 1993 because car sales in Europe slumped far beyond expectations.

In a letter to shareholders detailing preliminary results, the company said revenue last year fell to 53.7 trillion lire from 59.1 trillion in 1992.

If confirmed, the operating loss would be the first for the European automaker since the 1970s and would reflect the drop of about 15 percent in European car sales last year. Fiat made a profit of 551 billion lire (\$324 million) in 1992.

The company also said it was launching a 1 trillion lire fixed-rate 10-year bond issue and a chance to win a car as an incentive for investors to buy the issue. The company will give away 200 car prizes as incentives, it said.

Fiat's chairman, Giovanni Agnelli, said in September that he expected an operating loss of about 1.0 trillion lire for 1993, while analysts expected a similar loss.

Fiat said it had to operate in a "critical and worrying" economic environment in 1993, with the "drastic and widespread" decline

in demand affecting its principal sectors.

He said that 1994 would be another "difficult year," but would mark a turning point.

Despite the uncertain outlook for this year, the company said it was determined to press ahead with its strategy of boosting investment and cutting costs. The company is locked in a bitter struggle with unions over plans to lay off 15,000 workers, which is about 7 percent of its Italian workforce.

Fiat Auto posted 1993 net sales of 24.35 trillion lire, down from 27.45 trillion in 1992. Its investments were 5,060 trillion against 3,924 trillion a year earlier and its number of employees fell to 120,330 from 125,378.

Fiat Auto with its three brands, Alfa Romeo, Lancia and Fiat, sold 1.675 million cars and commercial vehicles in 1993, of which 1.25 million were sold in Europe, where it holds an 11.2 percent share of the car market.

In Italy, Fiat's market share rose close to 45 percent and should continue to rise, thanks to the "excellent" launch of the new Punto model, Fiat said.

(Reuters, AFP, Bloomberg)

Tokyo Market: Suddenly, the Place to Be

By Steven Brull

International Herald Tribune

TOKYO — Foreign money is propelling Tokyo share prices to levels that, by some measures, are already more irrational than those at the peak of the bubble economy more than four years ago.

Yet analysts said that despite Monday's 7.34 percent surge, the third-biggest ever for the Nikkei index, overseas and domestic funds would likely continue to pour into Tokyo stocks, if only for lack of better alternatives.

For foreign investors, U.S. and Southeast Asian stocks are seen as overvalued, having boomed for more than the past year. European, American and recently a trickle of Asian investors pumped roughly 1.2 million yen into Tokyo stocks in January, helping boost the Nikkei index by 16.14 percent.

Even with Monday's spike to 20,229.12, the index remains just above half its peak level hit at the closing session of 1989.

Japanese investors, who have stayed mostly at home, are making a similar shift. After a tremendous rally, they are taking profits out of the bond market and putting the funds into stocks, which have suffered a worse decline since 1989 than U.S. shares in the first four years of the Great Depression.

"It's liquidity looking for a lagged market," said Cameron Umetsu, senior economist at MMS International. "Funds are flowing to the relative safety of Japan."

Yet based on prospective earnings for the year through March, 1995, Tokyo stocks are trading at a price-earnings ratio of about 90, compared with 70 when the market peaked in 1989. Investors, though, appear unconcerned.

"People are focused only on the supply-demand relationship, and that definitely favors Japanese equities," said Paul Migliorini, a senior salesman at Jardine Fleming Securities.

In essence, the argument for shares in the world's second-biggest equity market is the same "flow of funds" or "weight of money" formula that was used to justify the rally in the bubble era of the late 1980s. "The fundamentals still don't argue for a big rally, but there's scope for the index to go to 25,000," Mr. Umetsu said.

Key to the bullish outlook is newfound confidence following last weekend's passage of Prime Minister Morihiro Hosokawa's package of political reform bills.

By making concessions to the opposition Liberal Democrats, Mr. Hosokawa won their cooperation in compiling a series of economic pump-priming measures to be unveiled later this week. The package could be worth as much as a record 15 trillion yen, including 6 trillion yen in income tax cuts and 9 trillion yen in public works spending and loans for housing investment and small and medium sized companies, according to Japanese press reports.

"These are big figures, very significant," said Masaru Takagi, chief economist at the Fuji Research Institute.

Still, he and others said, the outlook for the Japanese economy remains clouded at best.

Many uncertainties remain over

See TOKYO, Page 11

Paris, London Stocks at Highs

Reuters

LONDON — European exchanges ended the month in high gear Monday, with record closing highs set in Paris, London and Brussels, while Frankfurt's DAX index gained 2.06 percent.

The European component of the International Herald Tribune World Stock Index rose 2.30 percent, to 120.32.

London and Frankfurt got a boost from BMW's purchase of Rover Group from British Aerospace, while the CAC-40 index in Paris was lifted by hopes for an interest rate cut. In Brussels, a Belgian interest-rate cut boosted stocks, and the move was seen as a harbinger of European easing.

Thinking Ahead

Old-World Charm Works on Clinton

By Reginald Dale

WASHINGTON — President Bill Clinton has discovered the Old World. After acting as if it had vanished from the map, most of his first year in office, Mr. Clinton now believes that Western Europe, and particularly the European Union, can play a key role in his international agenda.

After so much American scoffing at the European Union's misfortunes over the past two years, that's a big improvement.

It seems only yesterday that U.S. officials were talking as if America's destiny was to be a Pacific rather than an Atlantic power, and deprecating the "Eurocentric" attitudes of previous administrations.

Two things have changed that. The first was the successful conclusion of the Uruguay Round of world trade talks in December; the second, Mr. Clinton's European trip last month, which concentrated his mind on Europe for the first time in his presidency.

Now the administration is itself beginning to make Eurocentric noises. In Brussels, Mr. Clinton described Europe as "our most valued partner," and officials are again stressing that Americans and Europeans share a unique heritage. Amazingly, some of them sound more gung-ho on European unity than a lot of Europeans.

What has happened is that Mr. Clinton has figured out that the European Union can help him attain a couple of major policy objectives: to pry open markets for Central Europe, to stabilize Eastern and Western Europe, and to light the opening of world markets as one of their top three international priorities (the other two being nuclear nonproliferation and the enlargement of the club of free-market democracies).

Mr. Clinton may not be much interested in foreign affairs in the classic sense, but he is eager to use global economic policy to create more jobs at home. Last week's State of the Union address confirmed that he sees passage of the North American Free Trade Agreement and the completion of the Uruguay Round as defining achievements of his first year in office.

Although the Uruguay Round's conclusion

The president has figured out that the EU can help open markets for U.S. goods and stabilize East Europe.

left much to be desired — and much work unfinished — the closing phases of the negotiations brought home to the administration how necessary it was for the United States and the European Union to work together to write the rules of world trade.

With the new World Trade Organization soon to include Russia and China, and the power of the developing countries steadily increasing, it is obvious that the United States will need the support of the European Union even more in the future.

But it is not just trade that is at stake. The key concept Mr. Clinton took to Brussels was Europe's overall "integration," in partnership with the United States.

Some people in Washington now see the incorporation of the countries of Central and Eastern Europe into the European Union — perhaps even before they join NATO — as key to filling the security and political vacuum that exists between Russia and Germany.

That is too facile. Americans tend to regard EU membership as a quick fix, without appreciating all the difficulties it involves. It is proving hard enough to negotiate membership for countries with virtually identical economics and living standards like Norway, Sweden, Finland and Austria.

Mr. Clinton's pledge in Brussels to "help lead" Europe's integration suggests a degree of overt American interference that could prove counterproductive.

But Mr. Clinton is absolutely right that the overriding European priority must be to forge the continent's two halves into a strong economic and political union.

It is good that the Americans now want to inject a new dynamism into U.S.-EU relations — but there is even if they wrongly believe there is a better chance of hearing one European voice at the other end of the trans-Atlantic phone line now that the Maastricht treaty has come into force.

Below the strategic level, there are plenty of other fields, including science, technology, environmental and competition policies and job creation, where the relationship could well be strengthened.

But the main point is that the problems of tomorrow's world are much more likely to be solved if Americans and Europeans act together. It is fortunate that, with two more presidential visits to Europe scheduled this summer, Mr. Clinton will not be allowed to forget the Old World again so easily.

CURRENCY & INTEREST RATES

Jan. 31										Eurocurrency Deposits									
Cross Rates										Dollar									
	S	D.M.	F.F.	L.F.	D.P.	S.F.	Yen	CS	Swiss		Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU		
Australia	1.55	2.055	1.335	8.115	2.180	1.255	160.8	1.022	1.288	1 month	3-3/8	6-1/4	4 7/8-1/2	5 1/8-1/2	6 1/4-1/2	2 1/2-2	6 1/4-1/2		
Canada	0.75	0.925	0.615	3.960	1.090	0.615	76.4	0.512	0.640	3 months	3 1/2-3/4	5 1/2-5/8	3 3/4-3/8	5 1/2-1/2	6 1/4-1/2	2 1/2-2	6 1/4-1/2		
France	6.55	8.065	5.305	33.660	9.540	5.305	656.8	4.072	5.120	6 months	3 1/2-3/4	5 1/2-5/8	3 3/4-3/8	5 1/2-1/2	6 1/4-1/2	2 1/2-2	6 1/4-1/2		
Germany	1.36	1.632	1.075	6.720	1.900	1.075	131.2	0.816	1.024	1 year	3 1/2-3/4	5 1/2-5/8	3 3/4-3/8	5 1/2-1/2	6 1/4-1/2	2 1/2-2	6 1/4-1/2		
Italy	1.36	1.632	1.075	6.720	1.900	1.075	131.2	0.816	1.024										
Japan	109.00	132.850	87.870	545.280	154.00	87.870	10,664.0	6.928	8.640										
UK	1.55	1.860	1.235	7.665	2.180	1.235	154.4	1.022	1.288										
Switzerland	1.48	1.776	1.180	7.392	2.050	1.180	144.8	0.960	1.216										
Sweden	8.45	10.340	6.805	42.240	11.80	6.805	839.2	5.440	6.720										
South Africa	13.75	16.500	10.935	683.20	190.0	10.935	1,312.0	8.640	10.720										
South Korea	1,050.00	12,600.00	8,330.00	51,840.00	14,500.00	8,330.00	1,017.60	69.120	8,640.00										
Taiwan	20.48	245.760	163.200	1,011.20	280.0	163.200	19,622.4	1,344.0	16,704.0										
Thailand	50.48	605.760	401.600	2,515.20	700.0	401.600	48,192.0	3,376.0	41,472.0										
US Dollar	1.00	1.210	0.805	5.000	1.400	0.805	97.2	0.640	0.800										
Yen	109.00	1,312.0	870.4	5,376.0	1,500.0	870.4	105,888.0	7,392.0	92,496.0										
Other Dollar Values																			
Argentine peso	1,000.00	12,100.00	7,933.33	49,600.00	14,000.00	7,933.33	951.68	66.224	8,192.00										
Australian dollar	0.75	0.900	0.600	3.750	1.050	0.600	72.75	0.512	0.640										
Canadian dollar	0.75	0.900	0.600	3.750	1.050	0.600	72.75	0.512	0.640										
French franc	6.55	7.860	5.190	32.250	9.150	5.190	626.85	4.072	5.120										
German mark	1.36	1.632	1.075	6.720	1.900	1.075	131.2	0.816	1.024										
Italian lira	1,360.00	16,320.00	10,750.00	67,200.00	19,000.00	10,750.00	1,312.0	81.6	10,240.00										
Japanese yen	109.00	1,312.0	870.4	5,376.0	1,500.0	870.4	105,888.0	7,392.0	92,496.0										
South African rand	13.75	165.00	10.935	683.20	190.0	10.935	1,312.0	8.640	10.720										
South Korean won	1,050.00	12,600.00	8,330.00	51,840.00	14,500.00	8,330.00	1,017.60	69.120	8,640.00										
Taiwan dollar	20.48	245.760	163.200	1,011.20	280.0	163.200	19,622.4	1,344.0	16,704.0										
Thai baht	50.48	605.760	401.600	2,515.20	700.0	401.600	48,192.0	3,376.0	41,472.0										
US dollar	1.00	1.210	0.805	5.000	1.400	0.805	97.2	0.640	0.800										
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French franc	6.55	7.860	5.190	32.250	9.150	5.190	626.85	4.072	5.120										
German mark	1.36	1.632	1.075	6.720	1.900	1.075	131.2	0.816	1.024										
Italian lira	1,360.00	16,320.00	10,750.00	67,200.00	19,000.00	10,750.00	1,312.0	81.6	10,240.00										
Japanese yen	109.00	1,312.0	870.4	5,376.0	1,500.0	870.4	105,888.0	7,392.0	92,496.0										
South African rand	13.75	165.00	10.935	683.20	190.0	10.935	1,312.0	8.640	10.720										
South Korean won	1,050.00	12,600.00	8,330.00	51,840.00	14,500.00	8,330.00	1,017.60	69.120	8,640.00										
Taiwan dollar	20.48	245.760	163.200	1,011.20	280.0	163.200	19,622.4	1,344.0	16,704.0										
Thai baht	50.48	605.760	401.600	2,515.20	700.0	401.600	48,192.0	3,376.0	41,472.0										
US dollar	1.00	1.210	0.805	5.000	1.400	0.805	97.2	0.640	0.800										
Yen	109.00	1,312.0	870.4	5,376.0	1,500.0	870.4	105,888.0	7,392.0	92,496.0										
Other Dollar Values																			
Argentine peso	1,000.00	12,100.00	7,933.33	49,600.00	14,000.00	7,933.33	951.68	66.224	8,192.00										
Australian dollar	0.75	0.900	0.600	3.750	1.050	0.600	72.75	0.512	0.640										
Canadian dollar	0.75	0.900	0.600	3.750	1.050	0.600	72.75	0.512	0.640										
French franc	6.55	7.860	5.190	32.250	9.150	5.190	626.85	4.072	5.120										
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Other Dollar Values																			

MARKET DIARY

Stocks Set Record Despite Rate Talk

Compiled by Our Staff From Dispatches
NEW YORK — U.S. stocks surged to record levels, with investors shunning off hints of rising interest rates to focus on the immediate climate of subdued inflation, low rates and rising corporate profits.

"We're now operating in an environment where interest rates and

N.Y. Stocks

inflation are benign, while earnings are growing at a 20 percent rate," said Abby Cohen, market strategist at Goldman, Sachs & Co. "You can't get a much more bullish combination than that."

The Dow Jones industrial average rose 32.93 points, closing at a record 3,978.36.

The Nasdaq over-the-counter index closed up 3.94 points, at a record 800.47, crossing the 800 level for the first time. On the New York Stock Exchange, gains outpaced declines by an 11-to-6 ratio.

Investors paid little heed to remarks from the Federal Reserve Board chairman, Alan Greenspan, who hinted the central bank was close to raising interest rates. Stock investors have been depending on an easy monetary policy and low

inflation to ensure adequate funds for business expansion.

Rising gold prices, sometimes seen as an indicator of inflation, also failed to check the stock market's climb, especially after Friday's report that inflation was running at the lowest pace since 1967. On the Commodity Exchange, gold was quoted up \$4.60 an ounce, at \$383.60.

Telefonos de Mexico was the most actively traded issue on the New York Stock Exchange, rising 1/2 to 43 1/2, with interest ignited when Lehman Brothers raised its 12- to 18-month price target for four Latin American telephone companies.

Citigroup was second, up 1/2 to 43 1/2. Duff & Phelps raised its ratings of the company's credit, citing improved fundamentals.

General Motors was the third-most actively traded issue, rising 2 1/2 to 61 1/2, after the company's chief executive, John Smith, hinted that 1993 earnings would be above the automaker's goal.

Acta Life & Casualty rose 3/4 to 63 1/2. The insurance company on Friday announced a restructuring that included cutting 4,000 jobs and a \$1 billion after-tax charge.

(Knight-Ridder, Bloomberg)

RATES: They'll Rise, but When?

Continued from Page 1
of inflationary instability accompanied by steeply rising long-term rates."

Wall Street economists saw Mr. Greenspan as setting the stage for what they all expected him to do as the economy recovered: some said

Foreign Exchange

he would wait for the markets themselves to raise short-term rates as credit demand increased.

The Federal Open Market Committee meets at the end of this week to discuss policy not only for the next six weeks but also for later. The broad lines of policy will be discussed by the board prior to Mr. Greenspan's semiannual testimony before Congress late next month under the Humphrey-Hawkins law, which makes him give numerical targets for money supply.

But with the Fed admitting that financial restructuring and globalization of markets makes those targets increasingly irrelevant, the general stance of the central bank is more important, and Mr. Greenspan's testimony Monday gave as many hints as Wall Street is likely to get.

David Jones of Aobrey Lanson & Co. said Mr. Greenspan would follow his policy of gradualism, raising short-term rates one-quarter of a percentage point a few weeks after his Humphrey-Hawkins testimony and another quarter

point in the spring on the theory that even if inflation is low, "a stitch in time saves nine."

Sam Kahan of Fuji Securities said the psychological signals sent by the central bank when it finally raises rates would be much more important, because "once Greenspan makes the first move, a waiting game will start."

If he shows he's ready to stay the course, the bond boys will come over and kiss him on both cheeks. It's going to be a tough call, what Wall Street wants the Fed to tighten, and Main Street doesn't give a damn. The prosperity of one depends on the other, but they're not aware of it."

Dollar Broadly Lower

The dollar fell across the board in New York, AFP-Extel News reported. Dealers said that although a rise in interest rates did not appear imminent based on Mr. Greenspan's testimony to congress, he was seen to be suggesting it would happen later in the year, which prevented more aggressive selling.

The dollar dropped by nearly a penny against the Deutsche mark, to end at 1.7342 DM after 1.7420 DM at Friday's close. The currency fell by more than a yen, to 108.53 yen from 109.80.

The dollar fell to 5.8850 French francs from 5.9170 francs and to 1.4565 Swiss francs from 1.4600 francs. The pound rose to \$1.0505 from \$1.0463.

The Dow

Daily closings of the Dow Jones Industrial average

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Chief of Fokker Resigns Amid Dispute Rumors

Compiled by Our Staff From Dispatches
AMSTERDAM — Erik-Jan Nederkorn, chairman of the Dutch-German airplane maker Fokker, resigned Monday in an apparent dispute over restructuring the unprofitable company.

The airplane maker said its supervisory board granted a request by

Mr. Nederkorn to release him from his duties for "personal reasons." Fokker said Mr. Nederkorn, 50, resigned effectively immediately and would be temporarily succeeded by the deputy chairman, Reinier van Duinen.

Company spokesmen refused to comment further. Some sources said Mr. Nederkorn had been opposed to changes aimed at pulling the company out of the red. But at least one source said he wanted more than others to cut costs.

Fokker is 51 percent-controlled by the Deutsche Aerospace AG arm of the German industrial conglomerate Daimler-Benz AG.

Andre Mulder, an analyst at Barclays de Zoeter, an analyst at Barclays de Zoeter in Amsterdam, said relations between Mr. Nederkorn and the supervisory board had been strained since Deutsche Aerospace bought a majority stake in Fokker in mid-1993.

"The Dutch ministry and people at Fokker said he sold out to DASA too early and too cheaply and was too much of a yes-man to the Germans," Mr. Mulder said. Yet at Kempen & Co. in Amsterdam, another analyst, Volkko Tuyen, said Mr. Nederkorn "wanted to cut costs more than others on the board."

Fokker produces short and medium-haul jet and propeller aircraft.

Fokker reported a loss of 127 million guilders (\$65.6 million) for the first half of this year, compared with a restated profit of 5.89 million guilders for the like period last year.

(AP, Reuters)

Competition Lags in Europe's Sky But Passengers Wise Up to Promotional Air Fares

By Tom Buerkle

BRUSSELS — A year after the European Union deregulated its airline industry, competition has been slow to take off, fares remain high on most major routes and big price differences between countries make a mockery of the Union's single market, passenger groups and analysts say.

Fare reductions have been concentrated on routes to and from Britain, Europe's most deregulated air market, and on a handful of other routes where start-up or low-cost carriers have introduced competition. Airlines are still facing pressure, however, as increasing numbers of travelers eschew unrestricted fares in favor of promotional tariffs.

The EU's open-skies policy, which freed carriers to pick their own routes and set their own fares, "hasn't been widely used because it requires a competitive market environment," said Geoffrey Lipman, head of the World Travel and Tourism Council in Brussels.

With traffic on most European routes still dominated by duopolies of national flag carriers, "they tend to operate in the old way. There's no incentive for them to try new products or new prices," Mr. Lipman said on a 12-member panel that has advised the European Commission to press ahead with its airline deregulation efforts despite the industry's huge losses, which totaled \$2.2 billion in 1992 and are expected to show little change in 1993.

The nonbinding report, which was due to be formally released on Tuesday but which circulated

Airlines Are Told to Stop Looking for Crutches

Reuters

BRUSSELS — A special panel set up to propose cures for the European air industry's chronic financial problems says in its final report that competition and not government handouts is the answer. The report "firmly advises against any rollback of liberalization," it says. "This would be inappropriate and self-defeating."

It urges the European Commission to allow state aid to airlines only on a one-time basis, linked to restructuring.

The panel's chairman, former Belgian Communications Minister Herman De Croo, said airlines needed a change of mentality. The report rejects demands by state-owned Sabena of Belgium, Air France and Alitalia for a slowdown of the EU's liberalization drive, saying current rules contain safeguards which can be used in the event of a downward spiral of fares.

"Existing safeguards against 'downward spirals' in air fares and preventing serious financial damage to the carriers allow for temporary intervention in extreme cases," it said.

Monday, urges authorities to foster competition and resist pressure from unprofitable state-owned carriers for bailouts. That line is vigorously contested by several continental carriers, led by Air France, Sabena and Alitalia. They want to turn back the clock on deregulation and draw on government funds while they restructure.

The report should strengthen the commission's ability to refuse those requests, said one commission official who spoke on condition of anonymity. The key test will come next month, when Air France is expected to submit a restructuring plan including huge

Charles Flocard, cited the unprofitable fare from Frankfurt to Madrid, a distance of 1,500 kilometers (925 miles), which at 5423 pounds (\$282) was nearly double the £219 pounds charged for the marginally longer London-Madrid route.

Mr. Flocard said airline inefficiency and an attempt to subsidize unprofitable routes elsewhere were keeping European prices high.

To be sure, deregulation has fostered new competitors and lower fares in some markets. British Midland's growing presence recently forced Sabena to match its business-class fare of 17,840 Belgian francs (\$498) for a Brussels-London roundtrip, undercutting British Airways by about 15 percent.

But the biggest impact so far is stemming from a consumer revolt, led mainly by business travelers seeking to cut costs in the recession.

Tony Vanhelmont, a manager at Belgium International Travel, the country's largest agent, says about three-quarters of his corporate clients now fly economy-class rather than business in Europe versus just 10 to 15 percent three years ago.

As a result, only 29 percent of passengers on European flights paid full fare last year, down from 33 percent in 1992 and 39 percent in 1990, according to the Association of European Airlines.

But the discounting is having the desired impact: the carriers filled 58 percent of their seats last year, up from 56.8.

In a letter to the commission, the passenger group's chairman,

Q: What worries you the most about recession in Europe and Japan, and what are the most important changes that need to occur in order to achieve recovery?

Mr. Siebert: Restructuring will result in a serious unemployment problem and that's a big issue to be resolved. German manufacturing has to respond to a 25 percent increase in wages since 1990 and a rise in hourly productivity of only 8.5 percent. And we have no experience of dealing with the wage differential between East and West Germany, which is 1-to-10.

Mr. De Benedetti: What worries me most in Europe is lack of political leadership. It's very serious, and I think one of the greatest concerns especially when it comes to the social consequences of the recession.

Industry will take the burden of any social unrest. And we should recognize that there are religious which cannot be applied anymore, which like the interest rates, like the Bundesbank policy to take a very simple example. To fight inflation while the real devil is unemployment is something that in my mind is obsolete, is harming out just the business community but the social harmony of society. We cannot survive having real interest rates while the U.S. and Japan have zero real interest rates.

Investor's Europe				
Frankfurt DAX		London FTSE 100 index		Paris CAC 40
Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	AEX	438.71	429.78	+2.08
Brussels	Stock Index	7,789.43	7,740.12	+0.76
Frankfurt	DAX	2,177.45	2,133.47	+2.06
Frankfurt	FAZ	632.43	618.80	+2.16
Helsinki	HEX	1,895.86	1,862.80	+1.77
London	Financial Times 30	2,676.89	2,639.50	+1.41
London	FTSE 100	3,481.80	3,447.40	+1.29
Madrid	General Index	356.48	348.62	+2.27
Milán	MBI	1,945.00	1,927.00	+1.75
Paris	CAC 40	2,334.36	2,313.17	+0.92
Stockholm	Affarsvaerlden	1,833.44	1,794.53	+2.17
Vienne	Stock Index	507.83	502.01	+1.12
Zurich	SBS	1,094.29	1,081.43	+1.10

Sources: AFP International Herald Tribune

Beijing's Curb On Construction Poses Challenge

Compiled by Our Staff From Dispatches

BEIJING — The government's clampdown on new construction projects this year will be difficult to enforce, Chinese and foreign economists said here on Monday.

The State Council, China's cabinet, over the weekend put strict controls on building, bank lending, the opening of development zones and the issuance of stocks and bonds outside the government plan, in an attempt to wrestle inflation down from the dangerous levels more than 20 percent it reached last year.

The idea is to prevent a repetition

of the credit-fueled economic boom in the first half of 1993. The construction frenzy that turned parts of the south and the coast into a forest of building cranes has been a key factor behind the price rises.

Control of construction projects "is the key subject in the government's control of the economy," said one Chinese economist. He added: "If they are unable to restrain fixed-asset investment, they have little hope of attaining their economic targets this year."

The government has set a 9 percent limit on economic growth this year after 13 percent growth in 1993, and it wants to hold inflation below 10 percent.

"It might be a difficult order to enforce, but there is really no other way as China's monetary system is not developed enough to use Western-style controls such as interest rate manipulation," the Chinese economist said.

"China's inflation is investment-driven," a Hong Kong-based economist analyst commented.

Some confusion remains as to whether the State Council circular, which stated that "in principle, no new projects will be approved this year," amounted to an outright ban.

"I see it more as an extremely strong exhortation aimed at providing the authority needed to implement the government policy," said a Beijing-based Western economist with an international organization.

Joel Edouard, deputy manager of Credit Lyonnais's branch in Shanghai, said: "The problem for the central bank is checking that the policy is carried out in the provinces, which have shown themselves to be very independent-minded in the past."

A Western diplomat said: "This sounds like yet another of these warning notes from the center that the provinces just pay lip service to."

China's Austerity Hits CITIC Sales, Delays Projects

Bloomberg Business News

HONG KONG — China's austerity program, introduced in July, is still hurting vehicle sales and delaying key investments, according to CITIC Pacific Ltd., China's main listed-investment company in Hong Kong.

Demand from many of the Chinese companies that were buying imported cars, vans and trucks from CITIC Pacific's Dah Chong Hong trading wing, has slowed dramatically because they cannot get bank financing, said CITIC Pacific's executive director, Robert Adams.

"There was just not the bank financing the credit wasn't there," he said. The CITIC group's plans to build a tunnel under a Shanghai river may also be delayed because the local Chinese partner is finding it difficult to raise the financing.

Last July, China introduced an austerity policy aimed at cooling down its overheating economy, including a severe tightening in bank credit.

China Tuning In on Commercials Foreign Agencies Expect Profits in Once-Adless Land

Bloomberg Business News

BEIJING — When the actress Gong Li, known internationally for her award-winning role in "Farewell My Concubine," made a cool 1 million yuan (\$115,000) last summer to hawk an air conditioner in a local television commercial, nobody was more pleased than the China's foreign advertising community.

After years of disappointing returns, advertising executives from New York and London say recent economic reforms and China's emerging consumer class will finally allow them to recoup their initial investments in China.

During the past two years, such agencies as DDB Needham Worldwide Inc., J. Walter Thompson Co. and Saatchi & Saatchi Co. have set up joint ventures, including tie-ups from agencies based in Hong Kong and Taiwan. China now has about 80 foreign agencies.

"Chinese enterprises are also beginning to realize the value of high-quality advertising," says Gary Brant, president and chief executive officer of Dentsu, Young & Rubicam Partnerships, which set up the China's first advertising joint venture in 1986.

"The lion's share of the bigger accounts will be won by multinational agencies in joint ventures with major Chinese firms," he said.

The numbers certainly look good. Ad agency billings jumped an estimated 65 percent, to 8 billion yuan (\$919 million), this year, following a 93 percent increase last year, China's State Administration for Industry and Commerce reported.

It said it expected that by the turn of the century billings would hit at least 28 billion yuan a year.

"The 28 billion yuan figure is a conservative estimate because by the end of the decade, enterprises will be operating in a much

quickly in China. Indeed, urban incomes grew by 29 percent during the first nine months of 1993 over the year-earlier period, according to government statistics.

And about 4.5 million Chinese average about 30,000 yuan a year these days. While small, compared with salaries in the West, that money more than covers basic necessities for most Chinese. What is left over can be used for discretionary purchases.

Perhaps mindful that there is more money being poured into advertising, the Chinese government is now charging a lot more for access to the airwaves.

China Central Television earlier this year more than doubled rates, to 25,000 yuan from 10,000 yuan, for a time slot right after the evening news, which it claims is watched by up to 600 million viewers. Shanghai's Liberation Daily charges more than 1 million yuan for a front-page ad.

While a boom in advertising may be ahead, few foreign agencies are making much money yet. Dentsu's joint venture only moved into the black in 1992.

Yet things have come a long way since 1979, when there were no ads at all in China. As of June, the country had 23,000 ad agencies with 244,000 employees, said Mr. Liu, the state agency's advertising director. But he added that nearly half of these had been in operation less than a year and his organization regarded only 10 percent as "competent."

When an actress got \$115,000 for a commercial, nobody was more pleased than advertising executives from overseas.

Chinese advertising is certainly evolving. Four years ago, most television ads amounted to a picture of the product and its brand name. They typically climaxed with a black screen showing the general manager's address and phone number.

Now, prime-time Chinese television ads often play to the foibles of China's newly rich. In one spot, a middle-aged executive naps in a huge leather chair while his lap-top computer plays a lullaby.

Affluent characters are being portrayed in ads, and with cause. Income levels are rising

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Affluent characters are being portrayed in ads, and with cause. Income levels are rising

Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
12000	2500	20000
11000	2400	19000
10000	2300	18000
9000	2200	17000
8000	2100	16000
7000	2000	15000
1993	1993	1993
Exchange	Index	Monday Close
Hong Kong Hang Seng	11,487.00	11,377.80 +0.98
Singapore Straits Times	2,339.10	2,300.07 +1.70
Sydney All Ordinaries	2,310.80	2,269.90 +2.25
Tokyo Nikkei 225	20,229.12	18,757.88 +7.84
Kuala Lumpur Composite	1,106.99	1,090.06 +1.65
Bangkok SET	1,493.45	1,507.35 -0.92
Seoul Composite Stock	945.71	946.11 -0.04
Taipei Weighted Price	6,115.12	6,018.08 +1.65
Mumbai Composite	2,874.56	2,829.50 +1.88
Jakarta Composite	582.02	592.65 -0.11
New Zealand NZSE-40	2,397.82	2,338.28 +2.55
Bombay National Index	1,821.49	1,944.13 -1.16

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- Malaysia's consumer price index rose 3.6 percent in 1993 after 4.7 percent in 1992, the government reported; economists predict inflation will accelerate to 4.2 percent this year and 4.5 percent in 1995.
- Australia agreed to phase out the use of European geographical names, such as chianti, champagne and burgundy, for its wines, in return for greater access to European Union markets.
- Aztech Systems Ltd., which makes an attachment that enables personal computers to reproduce sound through speakers, launched an initial public offering to raise 62.5 million Singapore dollars (\$39.1 million).
- Taiwan's Finance Ministry is weighing plans for Taipei's first bond sale on international markets since 1949, to raise up to \$300 million.

AFP, Reuters, Bloomberg

Clinton Presses Hosokawa on Trade

Compiled by Our Staff From Dispatches

TOKYO — President Bill Clinton of the United States telephoned Prime Minister Morihiro Hosokawa on Monday and asked that Japan work toward the success of the U.S.-Japan trade framework talks, a Japanese spokesman said.

Mr. Hosokawa's chief cabinet secretary, Masayoshi Takemura, said the two leaders spoke for about 15 minutes and said they would do their utmost to bring about a successful conclusion of the first phase of the trade negotiations.

The two governments are expected to hold lower-level negotiations later this week. They face a Feb. 11 deadline, when Mr. Clinton and Mr. Hosokawa are to meet in Washington.

At that meeting, the two leaders are supposed to sign agreements aimed at opening Japan's automobile and insurance markets and at reforming Japan's government procurement of telecommunications and medical equipment. But the countries remain far apart on all these issues.

Before the Washington summit, Deputy Foreign Minister Kimihiko Saito said Monday, the U.S. trade representative, Mickey Kantor, and other U.S. officials may visit Tokyo.

U.S. officials said they hoped Mr. Hosokawa would come up with a compromise to salvage the talks. They said they were hoping to get the prime minister and other high officials to intervene.

Mr. Hosokawa saved his job during the weekend with an 11th-hour compromise aimed at the reform of Japan's political system, an issue

that has preoccupied him for weeks. With that out of the way, Mr. Hosokawa "is now in a position to participate a little more actively in resolving this," a U.S. official said.

So far, trade negotiations have been conducted mainly by Japan's bureaucrats, whom Washington sees as recalcitrant. The U.S. government has been trying to bring the talks to the front burner as a political issue, hoping politicians might be more amenable to compromise. (Knight-Ridder, NYT)

TOKYO: Foreigners Swarm In

Continued from Page 7

how much of the headline spending figure will represent fresh Keynesian stimulus and how much will merely replace funds that would have been put into the economy in the form of loans from commercial banks. In addition, the impact on consumer spending of an income tax cut is unknown, especially if the government states its intention to make up for the lost revenue by raising consumption taxes once the economy recovers.

Even with the spending, and another cut in Japan's record-low official discount rate of 1.75 percent, the consensus forecast is for Japan's economy to contract by about half of one percent in 1994. That suggests further pain for Japanese companies, many of which could suffer a fifth straight year of declining profits in the coming fiscal year through March 1995.

To be sure, the stock market is getting way ahead of economic reality and has an ominous echo of January a year ago, when the Nikkei index began a rapid climb from just over 16,000 to more than 20,000 in April, only to lose all its gains later in the year. Then as now, they note, it has been foreign investors piling in while Japanese companies and banks sell to book profits and pad accounts before accounts close at the end of March.

"The same things happened one year ago," a foreign fund manager said. "There will be big selling from Japanese companies sometime before the end of March."

Taiwan Stocks Soar Taiwan's benchmark index soared on hopes that a 4.9 percent surge in U.S. economic growth in the fourth quarter would prompt a broad global recovery, Bloomberg reported from Taipei.

Prices also rose on seasonal buying ahead of the Lunar New Year holiday.

The weighted price index of the Taiwan Stock Exchange soared 99.04, to 6,115.12 on trading volume of 89.2 billion Taiwan dollars (\$3.37 billion).

"The U.S. growth figure was very strong, and there's hope that the U.S. can be a locomotive for the sluggish world economy," said Roger Lo, research manager with Sampo Securities, The Commerce Department said Friday that the U.S. increase was its best gain in six years.

Textile stocks, bellwethers for the export industry, gained on expectations of rising prices, said Steven Yang, chief dealer with President Securities, one of Taiwan's largest securities companies.

Far Eastern Textile, one of Taiwan's largest textile companies, rose 1.50 dollars a share to 43.1.

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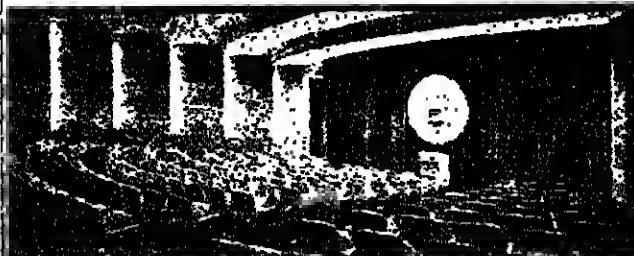
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Herald Tribune



RICHARD BRANSON, FOUNDER AND CHIEF EXECUTIVE, VIRGIN ATLANTIC AIRWAYS

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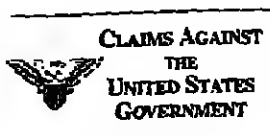
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SPORTS

Gillooly Guilty Plea Expected Today

Portland, Oregon — U.S. figure skating champion Tonya Harding's name was submitted Monday as a member of the U.S. Olympic team, but whether she would compete in the Games in Norway appeared to have been put further in doubt.

Harding's former husband, Jeff Gillooly, has a court hearing scheduled for Tuesday morning at which he is expected to plead guilty to a charge of plotting the Jan. 6 attack on Harding's skating rival, Nancy Kerrigan. His lawyer, Ron Hoeft, said Gillooly will make a statement and answer questions following his court appearance.

Gillooly, bodyguard Shawn Eckardt, the alleged assailant Shane Stant and the alleged getaway car driver Derrick Smith have all been charged with conspiracy to assault Kerrigan, who was hit above her right knee with a police baton at a practice rink in Detroit just before the national championships there.

Stant and Smith are scheduled to appear in Multnomah County Circuit Court an hour earlier than Gillooly at a hearing on their legal representation.

Harding didn't object to the plot to eliminate Kerrigan from the championships, though she didn't think Eckardt could carry it off. The Oregonian newspaper reported Monday.

Gillooly, in a confession to authorities, said that he came up with the plot because he felt the judges had unfairly ranked Harding fourth at a December skating competition in Japan and wouldn't give her a fair shake at the national championships, the newspaper reported.

Deputy District Attorney Norm Frink declined to comment Monday on the Oregonian report and said, "We're still interviewing witnesses and gathering evidence," adding that the investigation "could be days, it could be weeks. I'd put the emphasis on weeks."

Harding has not been charged.

She returned to the ice after a weekend off, as a large crowd pressed around the rink and the railing above it at the shopping center where she skates.

The U.S. Figure Skating Association went through the formality of telephoning the U.S. Olympic Committee to say that Harding was still on the roster for the Olympics, along with 11 other skaters and 10 alternates.

The USOC was to deliver the paperwork Monday to the International Olympic Committee in Lillehammer, Norway. The association made the call with the understanding that all skaters can be named until Feb. 21, two days before the Olympic skating competition begins.

The alternate is Michelle Kwan, 13, who finished second to Harding at the national championships. A special committee of the skating association is to meet Tuesday to start considering whether Harding violated the organization's

code of conduct. It has set a deadline of Feb. 10 to make its recommendation, but could act sooner, said the committee chairman, William Hybl.

Gillooly appeared before a grand jury Saturday and reportedly has agreed to plead guilty to racketeering and testify against Harding. The charge carries a two-year prison term.

Gillooly testified against Harding only after learning that she had dropped their cover story while being interrogated by the FBI, according to his brother, John Gillooly.

"Jeff would have fallen on his sword for Tonya if Tonya had told him the truth, but she didn't," Hoeft told The Oregonian. Hoeft didn't return telephone calls Sunday and Monday.

Quoting sources said to be familiar with Gillooly's confession to the FBI, The Oregonian gave this account:

Gillooly hatched the plot and began discussing it with Eckardt before Harding returned from skating in Japan. Harding, following her fourth-place finish, had complained that after skating a clean technical program she received lower scores than skaters who had fallen.

The first she heard of the plot to attack Kerrigan was when she returned the week of Dec. 12.

She and Gillooly both felt the U.S. Figure Skating Association was prejudiced in Kerrigan's favor, in part because Kerrigan was featured on brochures and the cover of the magazine promoting the national championships.

When Harding said she doubted Eckardt could successfully knock Kerrigan out of the competition, Gillooly told her someone else would do the actual assault. The plan then seemed forgotten.

But Eckardt, acting on his own, contacted his friend, Smith, who had recently moved to Arizona. Smith agreed to carry out the attack with the help of his nephew, Stant.

Smith and Stant drove from Arizona to Portland, Ore. Dec. 28, Eckardt met with Gillooly and Harding and they agreed to go ahead with the plan.



Tonya Harding gave a wave as she set off for practice in Portland.

Harding got Kerrigan's room number at the hotel where she was staying, and relayed it to Gillooly, who arranged for it to get to Smith and Stant in Detroit. They had hoped to attack Kerrigan in her hotel room, but failed.

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(AP, Reuters)

UCLA Loses to Cal, Loses No. 1 Ranking

The Associated Press

UCLA knew all about the explosiveness of California's Jason Kidd and Lamond Murray. The Bruins didn't know about Monny Buckley, so they became the latest team to have its reign as No. 1 cut short.

Buckley, 25, Green-High 23, points led No. 19 Cal (12-4 overall, 5-2 Pac-10) to an 85-70 upset of the then-No. 1 Bruins on Sunday in Oakland, making UCLA (14-1, 7-1) the last Division I team to lose its undefeated status.

"Buckley really stepped up for them," UCLA point guard Tyus Edney said. "We kind of wanted the other guys to have to step up and beat us, and they did."

While the Bruins were busy trying to contain Kidd, the linchpin of Cal's offense, and Murray, the Bears' leading scorer, who finished with 21 points, Buckley made eight of 12 shots. Coming in as an 18 percent shooter from 3-point range, the 6-foot, 6-inch (1.98-meter) junior guard was left open on the perimeter and went 3-for-7 from long range.

"I looked at my percentage, and I would have left myself open," he said.

After the Bears ended the first half with a 45-35 lead, Buckley scored 11 of Cal's first 13 points of the second half for a 58-43 advantage with 15:08 to play. Kidd finished what Buckley started, scoring nine of Cal's last 11 points and posting 18 points, a career-high 14 rebounds and 12 assists.

UCLA, which dropped to fourth in the new poll, never led and failed to score more than 70 points for the second time in two games. The Bruins' season record is 14-1, 7-1.

UCLA coach Jim Harrick said the Bruins "were used to winning."

Said UCLA's coach, Jim Harrick, "We came back. We got to the

mountain. We just couldn't get over it."

No. 2 North Carolina 85, Wake Forest 61; Eric Montross scored 22 points on 10-for-13 shooting for North Carolina (17-3, 5-2 ACC), which pounded the front-line of Wake Forest (12-7, 3-4) and scored virtually all its points from inside 10 feet.

No. 7 Kentucky 91, Auburn 74; Tony Delk scored 25 points and scored a second-half surge as Kentucky (16-3, 3-3 SEC) won its 10th straight game.

No. 11 Massachusetts 76, Rhode Island 47; Marcus Camby scored 15 points and Massachusetts (16-3, 8-0 Atlantic 10) held visiting Rhode Island (6-9, 3-5) scoreless for more than seven minutes during a run spanning both halves.

No. 14 Indiana 81; Richard Keene, scoreless in his last game, matched a career-high with 19 points as host Illinois (11-5, 4-3 Big Ten) ended a six-game losing streak against the Hoosiers (12-4, 5-2), who lost for the fourth time in five road games.

No. 17 Arizona-Birmingham 60, Dayton 52; Robert Shannon scored 23 points for UAB (16-2, 4-1 Great Midwest) in a straight thrashing of coachback by host Dayton (4-11, 0-3), which lost its eighth in a row.

No. 22 Minnesota 92, St. John's 64; Voshon Lenard scored 27 points and Randy Carter added 17 points and 12 rebounds as Minnesota (14-6) beat the Redmen (8-9) in New York.

It's easy to subscribe to the Herald Tribune. Call 1-800-1-7538.

Ski Federation President Says Speed Of Women's Races Must Be Checked

Compiled by Our Staff From Dispatches

VIENNA — The president of the International Ski Federation said Monday for speed restrictions on the women's World Cup races following the death of Austrian star Ullrich Maier.

"It has become imperative to check the speed of the women," Marc Hodler told Austrian radio. But he would not say what measures would be taken or considered.

The federation has been put on the defensive by the threat of legal action by Maier's fiancé after her death during Saturday's downhill in Garmisch-Partenkirchen, Germany.

The two-time giant slalom world champion fell while skiing at more than 100 kmh (60 mph) and hurtled into a timing post, breaking her neck and inflicting severe internal injuries.

She will be buried Thursday in Rauris, her home town near Salzburg. The federation said it will organize a special event to raise money for Maier's 4-year-old daughter, Melanie.

Hubert Schweighofer, Maier's fiancé and Melanie's father, criticized safety measures at Garmisch-Partenkirchen would go ahead, with Saturday's downhill on the Kandahar slope and a slalom on Sunday.

Lillehammer organizers and international ski officials said the Olympic women's downhill course is safe and requires no alterations for the Feb. 12-27 Games.

"We think we have done the job as well as it can be done," the race manager, Svein Mundal, said about safety at the Kvitfjell ski run north of Lillehammer. "We are not planning any changes but we will sharpen our eyes for hazards."

and ski suits that had cut times.

"We had hoped that the safety measures would be sufficient," Hodler said. "It was the women themselves who wanted to race on the slopes with the men."

The federation said this weekend's men's races at Garmisch-Partenkirchen would go ahead, with Saturday's downhill on the Kandahar slope and a slalom on Sunday.

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SIDELINES

Field Is Expanded for British Open

ST. ANDREWS, Scotland (AP) — The hottest golfers on the three major PGA tours in the weeks preceding the British Open will gain automatic entry to the tournament under new qualifying rules, officials said Tuesday.

The Royal and Ancient Golf Club said it has created 15 new qualifying exemptions, divided equally among the European, Japanese and U.S. tours, for the July 14-17 tournament at Turnberry, Scotland.

Bill Glasson shot 7-under-par 64 and came from two strokes behind to win the Phoenix Open by three strokes over Bob Estes.

Evans Promoted to Manage Liverpool

LIVERPOOL, England (AP) — Roy Evans was promoted Monday from assistant manager to replace Graeme Souness as manager of the English Premier Division soccer club Liverpool. He signed a 2½-year contract, covering the period Souness had left before resigning Friday.

Evans, 45, has been at Anfield since signing as a 17-year-old apprentice in 1965. He played in only nine games in four seasons before being advised by Bill Shankly, then the manager, to concentrate on coaching.

Salvatore Monicelli, 72, an army conscript from Sicily, jumped from a train window and plunged to his death Sunday after being assaulted by a group of fans from the Sicilian team Messina, Italian television reported Monday.

For the Record

Dan Jansen of the United States set a world record in the 500-meter event at the World Sprint Speedskating Championships, clocking 35.76 seconds to break his old mark of 35.92 seconds, set Dec. 4 in Hamar, Norway.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE			
Team	W	L	Pct.
New York	30	11	.732
Orlando	26	17	.605
Atlanta	25	18	.578
Boston	22	22	.500
New Jersey	19	25	.432
Philadelphia	18	26	.409
Washington	14	30	.317

CENTRAL DIVISION			
Team	W	L	Pct.
Atlanta	29	12	.705
Chicago	22	20	.524
Charlotte	22	20	.524
Cleveland	19	23	.452
Indiana	17	25	.405
Milwaukee	12	30	.286
Detroit	9	33	.209

WESTERN CONFERENCE			
Team	W	L	Pct.
Houston	31	10	.756
San Antonio	29	12	.705
Alto	28	13	.683
Utah	26	15	.634
Denver	20	21	.488
Minnesota	14	27	.341
Ottawa	3	37	.077

PACIFIC DIVISION			
Team	W	L	Pct.
Seattle	23	13	.639
Portland	23	13	.639
Golden State	22	14	.611
L.A. Clippers	15	25	.375
L.A. Lakers	14	26	.349
Sacramento	12	29	.293

SUNDAY'S RESULTS			
Team	W	L	Pct.
Phoenix	26	29	.473
Portland	26	29	.473

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1, Dan Jansen, U.S.A. 3676 seconds; 2, Junichi Inoue, Japan, 3685; 3, Hiroyasu Shimizu, Japan, 3686; 4, Takahiro Hamanishi, Japan, 3612; 5, Sergei Klerchenko, Russia, 3627; 6, Yoon-Han Kim, South Korea, 3651; 7, Kevin Scott, Canada, 3655; 8, Sylvain Bouchard, Canada, 3673; 9, Toshiyuki Kurehara, Japan.

Bobbitts Anonymous



Glyndebourne to Open New House on Schedule

GLYNDEBOURNE, England — The first opera house to be built in Britain for 60 years will open at Glyndebourne this spring on schedule and on budget, the chairman, Sir George Christie, said Monday.

The new theater, a privately funded venture costing £33 million (\$49.5 million), replaces the original built in 1934 by Christie's parents beside their Tudor country house.

Billy B. had a question: "If we get rid of the Bobbitts, is Olympic ice-skating just behind?"

Finally, it was my turn to speak. I was nervous as I faced the group. "I was wrong because I believed that there were laughs in the Bobbitt story. I milked it as much as I could, only to discover that there is nothing new to say. I wish that the couple go back to the lives they deserve and leave the press alone. I declare tonight that I will never mention the Bobbitts in my column again."

Obviously I have lied because I've written this.

But when it comes to Bobbitt stories, you can't kick the habit after one lousy meeting.

A Troublemaker's Long Road to Fame

Intellectual notoriety came his way, both in Chile and abroad, when he co-wrote a 1971 tract called "How to Read Donald Duck." Written, he says, in 10 days, it deconstructed the Disney comic, discovering imperialist messages of all kinds. Two years later, when Allende was



Playwright Dorfman: a planetary success.

Those whose calls led to an easygoing acquaintance, and over time it emerged that the man was not on the run from the rightist Salvadoran government — as Dorfman had assumed — but had in fact been a member of the military, which had been fighting the leftist guerrillas whom Dorfman supported.

penalties, who has seen the play four times in three countries, says that in this work Dorfman speaks in a stronger voice than ever before — "a very simple, almost Greek voice; the voice of a Sophocles, almost." But he adds that throughout Latin America, where acknowledging political intolerance is still difficult, "most people want to deny the existence of the play and of Dorfman."

Elvis Presley has been spotted again—in a TV ad promoting Tennessee tourism. The commercial features a computer-animated version of the young Elvis dancing across a postcard for about 10 seconds and singing the state tourism jingle, "We're Playing Your Song." The vocals are supplied by the country

WEATHER

Forecast for Wednesday through Friday, as provided by Accu-Weather.



 Windy	 Unusually Cold	 Unusually Hot	 Heavy Rain	 Hot
<h3>North America</h3> <p>Bitterly cold will blank Invade the central and eastern United States later this week, with downpouring of the Great Lakes, while lighter snow will blanket Michigan Territory. The West Coast will have dry, mild weather late this week.</p>				
<h3>Europe</h3> <p>Heavy rains will soak Ireland, southwestern England and western France this week. Thunder will roll through the British Isles at midweek. Paris and London will have reasonable temperatures and scattered showers Thursday. A few</p>				
<h3>Asia</h3> <p>Cold, bustling weather overpowered Japan Wednesday. Snow will fall in the mountains of Japan. Thunder will roll over Osaka to Tokyo. Beijing has a great moderate temperature later in the week. Cold weather will lester this week with</p>				

Middle East				Latin America			
	High	Low		High	Low	High	Low
Brazil	16:01	12:50	18:01	14:08	10:57	16:01	12:50
Canada	15:51	12:40	17:51	13:58	10:47	15:51	12:40
Chile	11:52	8:41	13:52	10:00	6:49	11:52	8:41
Colombia	11:42	8:31	13:42	9:50	6:39	11:42	8:31
Costa Rica	11:32	8:21	13:32	9:40	6:29	11:32	8:21
Cuba	11:22	8:11	13:22	9:30	6:19	11:22	8:11
Ecuador	11:12	8:01	13:12	9:20	6:09	11:12	8:01
El Salvador	11:02	7:51	13:02	9:10	5:59	11:02	7:51
Guatemala	10:52	7:41	12:52	9:00	5:49	10:52	7:41
Honduras	10:42	7:31	12:42	8:50	5:39	10:42	7:31
Mexico	10:32	7:21	12:32	8:40	5:29	10:32	7:21
Nicaragua	10:22	7:11	12:22	8:30	5:19	10:22	7:11
Panama	10:12	7:01	12:12	8:20	5:09	10:12	7:01
Paraguay	10:02	6:51	12:02	8:10	5:00	10:02	6:51
Peru	9:52	6:41	11:52	8:00	4:50	9:52	6:41
Uruguay	9:42	6:31	11:42	7:50	4:40	9:42	6:31
Venezuela	9:32	6:21	11:32	7:40	4:30	9:32	6:21

	Today			Tomorrow		
	High C/F	Low F	W	High C/F	Low F	W
Bangkok	33/91	22/71	pc	31/88	22/71	sh
Beijing	2/35	10/15	s	3/37	-9/22	s
Hong Kong	19/68	16/61	pc	18/64	15/59	c
Mumbai	30/86	21/73	pc	30/86	23/73	sh
New Delhi	20/68	7/44	a	20/68	8/45	s
Singapore	30/87	13/59	pc	31/88	17/61	sh
Shanghai	7/44	-1/31	c	8/48	-1/31	s
Singapore	28/82	24/75	c	28/82	24/75	sh
Taipei	20/68	13/55	c	19/66	12/53	c
Tokyo	10/50	-1/31	c	4/38	-8/22	c

Africa						
Algeria	16/61	9/48	17/62	11/52	c	
Cape Town	23/72	15/59	5	24/65	18/61	s
Conakry	16/41	8/46	c	17/62	9/48	s
Harare	24/75	6/48	20/75	8/48	8/48	s
Lagos	30/68	24/75	pc	31/68	24/75	pc
Nairobi	26/79	10/50	c	27/80	12/53	s
Tunis	17/62	4/69	c	17/62	3/41	s
North America						
Anchorage	2/26	-4/25	pc	1/24	-13/3	pc
Atlanta	3/37	-6/25	c	8/43	-6/22	c

Boston	-3:27	-10:17	pc	-4:25	-8:18	st
Chicago	-7:20	-13:59	pc	-11:13	-22:47	st
Denver	-3:41	-11:11	pc	-8:00	-14:14	st
Detroit	-6:52	-13:59	pc	-8:23	-14:14	st
Honolulu	-12:00	-17:52	pc	-18:00	-18:00	st
Los Angeles	-4:39	-2:35	st	-3:48	-3:27	pc
Los Angeles	-22:71	8:18	st	-19:56	8:48	st
Miami	-22:71	16:41	st	-26:79	16:41	st
Minneapolis	-10:19	-18:40	st	-17:72	-27:58	st
Minneapolis	-11:17	-17:59	st	-17:59	-27:58	st
Nassau	-22:71	21:70	pc	-26:79	21:70	pc
New York	-2:29	-9:16	st	-3:57	-8:18	st
Phoenix	-15:56	5:41	st	-21:70	5:41	st
San Francisco	-6:46	-4:35	st	-15:53	-2:05	st
Seattle	9:48	1:04	st	-7:44	-1:01	st
Toronto	-9:19	-14:7	st	-8:16	-15:16	st

ACROSS

1 Pig
5 Big dog
10 At a distance
14 Ur locale
15 New York's
—— Tully Hall
16 Berg opera
17 M
20 Kicker's aid
21 Names in a
Saudi phone
book
22 Bury
23 Cut and run

24 Yearn
25 Talk radio guru
26 Playwright
O'Casey
30 Army rank, for
short
33 African lily
34 Brazzaville's
river
35 Through
36 H
40 Fabergé obye
41 Collection
42 Candelied item

Solution to Puzzle of Jan. 31

S	I	N	S	H	E	R	D	M	A	S	T	S
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F	E	E	L	S		S	H	Y	W	I	Z	
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	P	A	L	E	R		S	C	A	R	E	D
	P	H	E	O	C	O	U	P	L	E	S	
S	T	E	A	L	S		O	R	I	G	I	N
A	I	R	T		T	A	M	E	S		C	A
L	E	O		Q	E	D		H	E	A	V	E
I	D	I	A		C	H	A	R	I	E	O	N
I	D	I	A		C	H	A	R	I	E	O	N
M	I	T	L	A		B	E	A	N		E	D
R	I	V	E	R		S	A	N	K		R	O

43 1966 Three Dog
Night hit

44 Pup's complaints

45 Talent for
cocktail talk

47 Some heels

48 Time founder

49 "Orlando"
author

52 Forum fashion

53 Quarry

54 Y

55 Organ setting

56 Type style

58 Germ

59 Blush
dom

10 Solo

11 Can't
cam

12 Der
(Ade)

13 Krupt
home

14 Tail

15 Tiny

22 Toot

24 Dires

Mar

62 Eros	
63 Raptured	
64 Tell's target	
65 Currycomb target	
DOWN	
1 Investigate, in a way	32 King's
2 Tribe whose name means "cut people"	34
3 Old gray animal?	37 Oppo
4 Some ratings	38 St. P. home
5 Newgate guard	39 Public?
6 1986 Cairne role	40 Condo
	41 Orma
	42 Anal

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Puzzle by Robert Dwyer

43						44
46	40	30	53			
36						37
38						61
45						44

across
40 Dietary _____
46 Point _____
49 "_____ victory!" _____

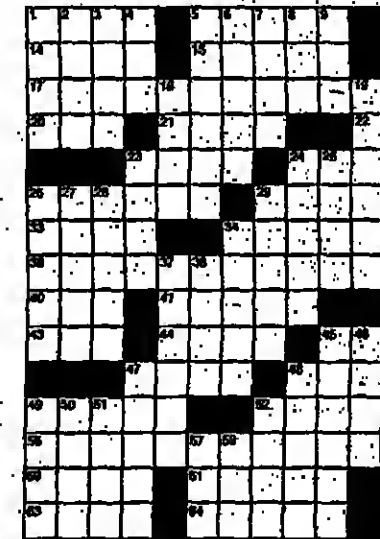
down
43 _____
44 _____
45 _____
46 _____
47 _____
48 _____
49 _____

by Will Shortz

33 Home of Jazzebol
 57 —la-la
 58 School dance

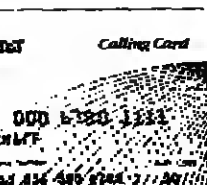
CROSSWORD

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48 Dietary	52 Substitute	56
49 — Point	53 Cougar	57
50 "— victory!"	54 Caddie's	58

**Travel in a world without borders, time zones
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To receive your free wallet card of A&A's Access Numbers, just dial the access number of the country you're in and ask for Customer Service.

COUNTRY	ACCESS NUMBER	COUNTRY	ACCESS NUMBER	COUNTRY	ACCESS NUMBER
ASIA/PACIFIC		Hungary*	00+800-01111	Chile	00+6-
Australia	001+881-011	Kelania*	999-001	Colombia	900-11-0
China ^{PRC**}	10871	Ireland	1-800-550-000	Costa Rica*	"
Guan	018-872	Italy*	172-1011	Ecuador*	"
Hong Kong	800-1111	Liechtenstein*	155-00-11	El Salvador*	"
India*	000-117	Lithuania*	8+196	"Guatemala"	"
Indonesia*	00-801-10	Luxembourg	0-800-0111	Guyana***	"
Japan*	0039-111	Mala*	8800-380-110	Honduras*	"
Korea	009-11	Monaco*	19+0012	Mexico***	95-800-462-4
Koreaa	11*	Netherlands*	06-022-9111	Rossignol (Minskig)	"
Malaysia*	800-0011	Norway*	800-190-11	Paraguay	"
New Zealand	000-911	Poland**	0+010-480-0111	Peru*	"
Philippines*	105-12	Portugal*	05027-1-288	Suriname	00-04-
Russia*(Moscow)	155-3042	Romania	01-800-4288	Uruguay	00-04-
Saipap*	235-2872	Slovakia	800-420-0010	Venezuela*	80-011-
Singapore	800-0111-111	Spain	500-59-00-11		
Sri Lanka	040-430	Sweden*	020-795-611	CARIBBEAN	
Taiwan*	0080-10288-0	Switzerland*	155-00-211	Bahamas	1-800-872-28
Thailand*	0019-901-1111	U.K.	0500-49-0011	Bermuda*	1-800-872-28
EUROPE		MIDDLE EAST		British V.I.	1-800-872-28
Armenia*	8+14111	Bahrain*	800-001	Cayman Islands	1-800-872-28
Austria*	022-905-011	Egypt* (Cairo)	510-0280	Granada*	1-800-872-28
Bulgaria*	178-1-0010	Israel	177-100-0722	Haiti*	001-800-872-28
Bulgaria	on ISO-NATL	Kuwait	800-288	Jamaica*	0-800-872-28
Croatia*	99-38-0011	Lebanon (Beirut)	426-801	Neth. Ants	001-800-872-28
Cyprus*	081-0010	Saudi Arabia	1-800-100	St. Kitts/Nevis	1-800-872-28
Czech Rep	00-420-0010	Turkey*	00-800-12277	AFRICA	
Denmark*	8001-8010			Gabon*	00+0-
Finland*	9800-100-10	AMERICAS		Gambia*	001-
France	19+0011	Argentina*	001-800-200-1111	Kenya*	0800-
Germany*	0130-0010	Belize*	295	Liberia	797-7
Greece*	00-800-1311	Bolivia*	0-800-1111	Madagascar	191-10
		Brazil	800-8010		

Midshipme

By Fern Shaw
Waco, Texas
BIRMINGHAM, March 10.—The
city, coping a disaster of its
own. After a string of accidents
involving graduates in a trial drive, the
city in car accidents, the city
attributed by its own failure.

A report made public last week
was dealing scandal in the city
history. No one from the police
department brass came away with
a word of lying and cover-up
history of the academy.

Terrorists in Algiers

Harding Implicated in A

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Egypt.....			

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Spain	300 Dr.	Senegal	2
Switzerland	1.120 CFA	Spain	2
Tunisia	1 JD	Tunisia	2
U.S.A.	US\$1.50	Turkey	2
		U.A.E.	2
		U.S. Mil.	2